138

MADRAS PUBLIC WORKS ACCOUNT CODE

WITH

APPENDICES

(Issued by authority of the Government of Madras)

Second Edition—Reprint

Embodying corrections up to 31st October 1952

GOVERNMENT OF MADRAS

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PREFACE

THE Madras Public Works Department and the Madras Public Works Account Codes which are now issued supersede the various rules and orders contained in the Public Works Department Code, X Edition, issued by the Government of India, and the Public Works Account Code, 1922, issued by the Auditor-General, in so far as Provincial Public Works are concerned. In bringing out these volumes the various old rules and orders compiled together in the Works Audit Manual, Part I, issued by the Accountant-General, have also been examined and incorporated after such revision as was found necessary. Certain rules which are purely of interest to the Audit Office have been omitted and will be issued by the Accountant-General as an Office Manual for his office.

2. The present revision has been necessitated by the fact that several of the old delegations have become out of date or obsolete after the Reforms. Further with the coming into force of the Government of India Act all the rules in the old Codes became obsolete until they were replaced or re-issued by the competent authorities. As it was obvious that the revision of the several Codes was a very complicated matter and would take time, the authorities on whom this duty devolved declared that the rules in the several Codes then existing should be taken as the rules issued under the Act and the Devolution Rules until they were revised. The present edition of the Madras Public Works Department Code contains administrative rules, together with the financial rules issued under rule 37 (*e*) of the Devolution Rules, which are special to the Public Works Department in so far as Provincial Public Works are concerned. It contains also the delegations of powers to incur expenditure connected with Public Works.

3. As regards Central Civil Works, the Governor in Council is the Agent of the Governor-General in Council under Devolution Rule 46 and the issue of rules to be observed in regard to such works rests with the Governor-General in Council. The rules in the Public Works Department Code (Government of India), X Edition, as modified by subsequent orders from time to time, govern this class of works. As the officers of the Public Works Department have been entrusted with transactions both of the Central and Provincial Governments, the special rules to be observed by them in regard to agency transactions have been embodied in an Appendix to the Code.

4. Most of the rules in the Public Works Account Code are accounts rules issued by the Auditor-General, while some are financial rules issued by the Local Government under Devolution Rule 37 (*e*) and some are subsidiary rules issued under the Treasury orders. There are also a few connected administrative rules. The Madras Public Works Account Code has been compiled from the Public Works Account Code issued by the Auditor-General

and the several relevant orders of the Local Government issued in the pa- after making the necessary examination and revision. Rules which t. Auditor-General and not the Local Government has power to issue have also been embodied in this Code as it is important that from the point of view of departmental officers the various rules bearing on one subject whether administrative, financial or accounts should be arranged in a logical sequence, and the question of authorities issuing them is not relevant. Due care has, however, been taken to obtain the acceptance of the Auditor-General or of his local representative, the Accountant-General, to all modifications, of rules issuable by him that the Local Government may have deemed necessary to make.

5. The Madras Public Works Department and the Madras Public Works Account Codes contain the rules which are special to the Public Works Department. They do not reproduce rules which are applicable to the Public Works Department in common with the other departments. The Fundamental Rules and the subsidiary rules thereunder including the Madras Travelling Allowance Rules, the Civil Service Regulations (Pension Rules), the Civil Account Code and the Madras Treasury Manual will continue to be applicable in the matter of conditions of service, and pay, allowances, contingencies, etc., drawn on bills encashed at the treasuries.

6. A memorandum showing the relation between the rules in the Codes now issued and those in the old Codes, is appended. The authority competent to modify the rules now issued has also been indicated.

7. The Madras Public Works Department and the Madras Public Works Account Codes came into force with effect from the 1st June 1926.

8. References have been given in these Codes to the numbers assigned to the forms in the Book of Forms issued by the Auditor-General as also to the numbers assigned by the Accountant-General and the Local Government to the same forms printed locally.

9. Officers who notice any errors or omissions are requested to bring them to the notice of the Chief Engineer, who is requested to address Government if the error or omission is important enough.

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MADRAS PUBLIC WORKS ACCOUNT CODE

WITH

APPENDICES

CHAPTER I.—EXTENT OF APPLICATION.

N.B.—The phrase "Indian Posts and Telegraphs Department" should be used in substitution for "Posts and Telegraphs", wherever the latter occurs in this Code.

The rules contained in this Code describe primarily the procedure relating to the initial and compiled accounts of officers of the Public Works Department. They are supplementary to the general rules in Volume I of the Madras Financial and Account Code, first edition, which are applicable to that department unless there be something repugnant in the subject or context or except to the extent that they are modified by the rules in this Code.

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CHAPTER II.—DEFINITIONS.

2. Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this Code in the sense here explained.

3. **Administrative Approval.**—This term denotes the formal acceptance, by the administrative department concerned, of the proposals for incurring any expenditure in the Public Works Department on a work initiated by, or connected with, the requirements of such administrative department. It is, in effect, an order to the Public Works Department to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also paragraph 64 of this Code and paragraph 99, Madras Public Works Department Code.

4. **Advance payment** means a payment made on a running account to a piece-work contractor for the work done by him but not measured—Vide paragraph 313. All intermediate payments made in the case of contracts based on the lump-sum tender system as defined in the Madras Detailed Standard Specifications are also treated as advance payment—Vide paragraph 303 (*c*).

5. **Agency transactions** is the term employed to denote those transactions of the Central Government for which, in a Governor's province, the Governor in Council acts as merely the Agent of the Governor-General in Council under rule 46 of the Devolution Rules.

6. **Appropriation.**—See paragraphs 106 and 109.

7. **Assets.**—In the accounts of works this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges. Examples Recoveries of advances or recoverable payments, and sale-proceeds or transfer value of surplus materials.

8. **Auditor-General's Rules** (vide Appendix 1).—Rules framed by the Secretary of State in Council under section 96-D (1) of the Government of India Act, which reads thus :—

96-D. (1) An Auditor-General in India shall be appointed by the Secretary of State in Council and shall hold office during His Majesty's pleasure. The Secretary of State in Council shall, by rules, make provision for his pay, powers, duties, and conditions of employment, or for the discharge of his duties in the case of a temporary vacancy of absence from duty.

8-A. **Bank.**—The term " the Bank " is used in the sense in which it is defined in clause (*a*) of Treasury Order 2.

9. **Book Transfer.**—This term is applied to the process whereby financial transactions which do not involve the giving or receiving of Cash, or of Stock materials, are brought to account. Such transactions may either affect the books of a single accounting officer, or they may involve operation on the books of more than one accounting officer whose accounts are ultimately incorporated in the accounts of Government. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transactions previously taken into account.

10. **Commercial Department.**—See Appendix 5 to the Madras Financial and Account Code, Volume II.

10-A. **Completion and completed.**—In this Code and in all the Public Works Account forms " completion of a work " may be understood to include " abandonment of a work ", and " completed " to include " abandoned ".

11. **Contingencies (Works).**—When used in respect of the accounts of works, thr term *Contingencies* indicates the incidental expenses of a miscellaneous charactee which cannot appropriately be classified under any distinct sub-head or sub-work, yet pertain to the work as a whole.

12. Contract and Contractor.—The term *Contract*, as used in this Code, means any kind of undertaking, written or verbal, express or implied, by a persons, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the performance of any service in connexion with the execution of works or the supply of materials. The term *Contractor* means a person, syndicate or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for services in connexion therewith.

13. Central.—See paragraph 78.

14. Department.—This term, when qualified by the prefix "The" is used to indicate the Public Works Department.

15. Deposit Works.—This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for municipalities and other public bodies fall under this category when the cost is chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries.

16. Detailed Head.—See paragraph 76.

17 Devolution Rules.—Rules mode by the Governor-General in Council, with the sanction of the Secretary of State in Council and with the approval of both Houses of Parliament, under section 45-A of the Government of India Act, sub-section (1) whereof reads thus:—

45-A. (1) Provision may be made by rules under this Act—

(*a*) for the classification of subjects in relation to the functions of Government, as central and provincial subjects, for the purpose of distinguishing the functions of local Governments and local legislatures from the functions of the Governor-General in Council and the Indian legislatures;

(*b*) for the devolntion of authority in respect of provincial subjects to local Governments, and for the allocatiou of revenues or other moneys to those Governments;

(*c*) for the use under the authority of the Governor-General in Council of the agency of local Governments in relation to central subjects, in so far as such agency may be found convenient, and for determining the financial conditions of such agency; and

(*d*) for the transfer from among the provincial subjects of subjects (in this Act referred to as "transferred subjects") to the administration of the Governo acting with Ministers appointed under this Act, and for the allocation of revenues or moneys for the purpose of such administration.

18. Direct Charges and Direct Outlay.—These expressions as distinguished from "Indirect Charges" and "Indirect Outaly" (vide paragraph 28 below) are applied to those charges pertaining to a work, project or job, which are directly incurred for its execution and are included in the regular acconnts of it.

19. Direction office.—This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipt and disbursement of public money, e.g., a Chief or a Superintending Engineer, or a Superintendent of Works; but, if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer for the purposes of this Code, even though some part of this emoluments may be treated as *Direction charges*.

20. Direction Officer.—The head of a Direction office is known by this designation.

Explanation.—A Government servant holding the rank of a Superintending or even a Chief Engineer is not a Direction Officer, unless the direction of the business of one or more divisions is entrusted to him. Thus a Superintending Engineer employed on special duty is not a Direction Officer.

21. Direct Receipts.—These receipts, as distinguished from Indirect Receipts (vide paragraph 29), relate to items of revenue receipts which are realized in connexion with a work or project either by officers of the Public Works Department or other departments and are directly brought to account as appertaining to the work or project.

22. Division and Divisional Office.—Throughout this Code, these terms are used to denote respectively the executive charge held by a Divisional Officer (paragraph 23 below) and the head office of such a charge. Thus, the office of an independent executive subdivision is a Divisional office for the purposes of this Code, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.

23. Divisional Officer.—In this Code, this term is applied to an executive officer of the Public Works Department who is not subordinate to another executive or disbursing officer of the department, even though the executive charge held by him may not be recognized as a "division" by the Government concerned. Thus, the officer in charge of an independent subdivision is also treated as a Divisional Officer for the purposes of this Code. See also paragraph 19.

Disbursing Officers of other departments, if they spend Public Works funds and are required to render accounts direct to the Audit Office, are also referred to as Divisional Officers in this Code.

24. Final Payment means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

25. Fundamental Rules.—Rules made by the Secretary of State in Council under section 96-B (2) of the Government of India Act, which runs thus :—

96-B. (2) The Secretary of State in Council may make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances, and discipline and conduct. Such rules may, to such extent and in respect of such matters as may be prescribed, delegate the power of making rules to the Governor-General in Council or to local Governments, or authorize the Indian legislature or local legislatures to make laws regulating the public services :

Provided that every person appointed before the commencement of the Government of India Act, 1919, by the Secretary of State in Council to the civil service of the Crown in India shall retain all his existing or accruing rights, or shall receive such compensation for the loss of any of them as the Secretary of State in Council may consider just and equitable.

26. Grant.—See paragraph 102.

27. Inclusive Rate of Cost.—See paragraph 50.

28. Indirect Charges and Indirect Outlay.—These expressions are applied to those charges, and capital outlay, respectively, which pertain, or are incidental to a work, project, workshop job or manufacture job, but which are not incurred directly and solely in connexion therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

29. Indirect Receipts.—Receipts which pertain, or are incidental, to a scheme or work, but cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.

30. Intermediate Payment is a term applied to a disbursement of any kind on a running account, not being the final payment. It includes an "advance payment" and an "on account payment (other than the final payment on a running account)" or a combination of these.

31. Issue Rate.—This term denotes the cost per unit fixed, in respect of an article borne on the stocks of the department at a valuation, for the purpose of calculating the amount creditable to the sub-head concerned (i.e., the sub-head under which the article is classified) of the stock account by charge to the account or service concerned, when any quantity of that article is issued from stock. This does not take into account the storage charges mentioned in paragraph 58-A.

32. Labour.—When a separate materials account is kept for one or more sub-heads of an estimate and the term "labour" is used in connexion with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct and (2) carriage and incidental charges in connexion with the materials.

33. Liabilities.—When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges, but have not been paid or adjusted regardless of whether or not they have fallen due for payment or adjustment or, having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

34. Local Government.—The term "Local Government" or "Government" as used in this Code means, the Governor in Council, the Governor acting with Ministers (as the case may require).

35. Local Loan Works.—As used in this Code, this expression indicates works executed by the Public Works Department on behalf of an Indian State, municipality, Port Trust, or other corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.

36. Major Estimate is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

NOTE.—In the case of a Central Civil Works an estimate for works expenditure exceeding Rs. 20,000 is classed as a Major Estimate with effect from the 1st April 1926.

37. Major Head.—See paragraph 76.

38. Market Rate.—Used in respect of an article borne on the Stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time at the stores godown from the public markets suitable to the division for obtaining a supply thereof.

39. Minor Estimate is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

NOTE.—In the case of Central Civil Works an estimate for works expenditure which does not exceed Rs. 20,000 is classed as a Minor Estimate with effect from the 1st April 1926.

40. Minor Head.—See paragraph 76.

41. Non-voted.—See paragraph 80.

42. On Account Payment or Payment on Account means a payment made, on a running account to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of work or supplies; if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

43. Operation.—Used in respect of the accounts and manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

44. Outturn.—Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

45. Primary Units of Appropriation.—See paragraph 102.

46. Progress means the up-to-date quantities of work done or supplies made.

47. Provincial.—See paragraph 78.

48. Quantity.—In the accounts of works this expression is used to describe the extent of work done, supplies made or services performed, when these can be measured, weighed or counted.

49. Rate.—In estimates of cost, contracts, contractors' bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service. Except in the case of lump-sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which the payment is to be made.

50. Rate of Cost and Inclusive Rate of Cost.—*Rate of Cost* means generally the total cost of a work or supply divided by its quantity. In the accounts it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head by the up-to-date progress thereof. *Inclusive Rate of Cost* means the rate of cost of the entire work relating to a sub-head, including the cost of material if recorded separately in the accounts.

51. Re-appropriation means the transfer of funds from one unit of appropriation to another such unit.

NOTE.—The term applies also to transfers from one object requiring a specific appropriation to another.

52. Recoverable Payment means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done on supplies made by him, and has therefore to be made good to Government by an equivalent cash recovery or short payment of dues.

53. Reserved Subject.—See paragraph 78.

54. Running Account is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

55. Secondary Unit of Appropriation.—See paragraph 102.

56. Sectional Officer.—This designation is used in this Code to describe those officials, usually non-gazetted subordinates, who are placed in responsible executive charge of works or stores under the orders of the officer in charge of a recognized subdivision, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the subdivision.

57. *Deleted.*

58. Special Officer (or Specialist Officer).—This term is applied in this Code, to such officials of the Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer, and have no Divisional Officers working under their control, e.g., Consulting Architects, Electrical Inspectors, etc.

58-A. Storage rate and storage charges.—These expressions denotes respectively the centage rate fixed for and charges levied on all issues of stock from the Public Works Stores, Madras, and the stores attached to the Kistna Central and the Godavari Head-works Divisions to cover such actual expenditure as is incurred, *after the acquisition of the stores* on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godowns or yards, etc. This rule may, with the sanction of the Local Government, be extended to any other stores in which appreciable storage charges are incurred.

59. Subdivisional Officer.—This designation is applied primarily to an official, whether a gazetted officer or not, who holds the charge of a recognized subdivision in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular subdivisional charge

but is held by the Divisional Officer himself, the latter is also treated as the Subdivisional Officer in respect of such charge. When a Divisional Officer holds the immediate charge of a recognized subdivision in addition to his own duties as the executive head of the division, he is treated as the Subdivisional Officer in respect of the charge of the subdivision.

60. Sub-head.—In the accounts of works and in working estimates, this term is used to describe the subdivisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of work that have to be executed in the course of construction or maintenance of a work or sub-work, e.g., excavation, brickwork, concrete, woodwork, etc., are usually treated as the sub-heads of it.

61. Sub-work.—In the case of a large work consisting of several buildings or smaller works, or groups thereof, the term sub-work is often applied to a distinct unit of the same if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailer's quarters, etc., in the case of a large central jail. In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage projects, the Head-works, Main line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the water-course scheme, and special tools and plant, all form separate sub-works.

62. Supervision Charges.—This term is ordinarily applied to the charges which are levied, in addition to book value and storage charges in respect of stock materials sold or transferred, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value, and are not included in the storage charges (see paragraph 58-A).

63. Suspense Accounts.—This term is applied primarily to certain heads of account, falling under the minor head "Suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery, or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts in reduction thereof. For suspense accounts within the accounts of works, see paragraph 354.

64. Technical Sanction.—This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the Public Works Department. Ordinarily, such sanction can only be accorded by Government in the Public Works Department or by such authorities of the department to whom the power has been delegated by Government. Sanction accorded to a work by any other department of Government is regarded merely as an administrative approval of the work (vide paragraph 3).

65. Transferred Subjects.—See paragraph 78.

66. Unit of Appropriation.—See paragraph 102.

66-A. Value.—This term used in connexion with the sale of stock materials (vide paragraphs 201 and 420) or their issue to works (vide paragraphs 330, 325 and 429) includes storage charges.

67. Voted.—See paragraph 80.

68. Water-course.—A water-course in a major system of irrigation for which Capital and Revenue Accounts are kept, is a minor channel intended for the supply of water to a particular block of fields and maintained by the joint labour of the ryots concerned.

69. Work.—The term "work" when by itself, is used in a comprehensive sense, and applies not only to works of construction or repair, but also to other individual objects of expenditure, connected with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

70. Works Expenditure and Works Outlay.—These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair and maintenance of works. The charges falling under these categories may be met when, under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general services, tools and plant and establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.

CHAPTER III.—GENERAL OUTLINES OF SYSTEM OF ACCOUNTS.

A.—CLASSIFICATION OF TRANSACTIONS.

71. The Public Works Department execute primarily works of all * classes required for all departments under the control of the local Government, except such Civil Works as have been entrusted to the administration of the departments concerned (vide paragraphs 95–97 of the Madras Public Works Department Code). Civil Works of the Central Government which are not under the control of the local Government, or Military or Railway works, may also be entrusted to the department, either occasionally or as a standing arrangement, and at times works for the Public Works or other departments of other Administrations and non-Government works may also have to be undertaken.

* Civil Works (Civil Buildings and Communications). Irrigation Works. Navigation Works. Embankment Works. Drainage Works.

1. Besides the foregoing, petty services such as the manufacture or supply of stores are also undertaken by Divisional Officers.

71-A. The general principles to be followed in the classification of Civil Works expenditure are laid down in Article 181-A of the Audit Code.

72. Transactions relating to the charges and receipts connected with the services pertaining to the works of the local Government and to Civil Works for departments of the Central Government other than works referred to in the margin, are adjusted finally in the accounts of Divisional Officers against the provision of funds therefor placed at their disposal. Transactions connected with the services for other Government works are not so adjusted finally, but pass eventually out of the accounts of Divisional Officers are incorporation in the accounts of the departments and administrations concerned. Outlay on non-Government works is charged against the deposits received therefor.

Postal and Telegraph Works, works in connexion with ancient monuments declared to be protected monuments under the Ancient Monuments Preservation Act, 1904, but see the explanatory note (37) of Appendix 4.

1. If an Administration executes, on behalf of another Administration, a Civil work (other than a work relating to Posts and Telegraphs) the cost of which is chargeable to the Central Government, the necessary funds are usually placed at its own disposal.

2. When a division undertakes a service on behalf of another division of the same Administration, the connected receipts and charges are passed on for adjustment finally in the account of the latter division.

3. Operations undertaken in the manufactories and workshops of a division on behalf of other divisions, departments, local bodies or individuals are treated as operations of the division in the first instance, but the entire cost is ultimately recovered from the party concerned.

73. In all cases the primary accounts of these transactions should be kept in accordance with the rules of this Code, even though the ultimate cost of the transactions may not have to be brought to account finally in the books of the Divisional Officer.

74. The performance of these services and the subsidiary proceedings, gives rise to a number of other transactions with other departments, etc., which have also to be brought to account; e.g., funds have to be obtained from treasuries to meet liabilities incurred, receipts realized have to be lodged in treasuries, and stores have to be obtained from other divisions or departments or from England.

75. The transactions of Public Works Officers may thus be grouped under the heads indicated below :—

I. Expenditure Heads; for charges adjustable finally in the accounts of Divisional Officers.

II. Revenue Heads; for revenue receipts creditable finally to Government in the Accounts of Divisional Officers.

III. Remittance Heads—Receipts as well as payments; for cash, stores or values received from, or paid to or on behalf of other divisions or departments

IV. Debt Heads ; for certain receipts and payments held in suspense pending clearance by payment or recovery (as the case may be) in cash or otherwise. The suspense accounts for transactions of this group are treated either as heads subordinate to the Expenditure Heads or as independent heads of account, as will be explained in latter chapters.

76. The transactions under each of these groups are further subdivided for purposes of accounts. In the case of Expenditure and Revenue Heads, the main unit of classification is known as the major head, and the further divisions of it as minor heads, each of which has a number of subordinate heads, generally known as detailed heads.

1. For departmental purposes, Public Works Officers usually divide a detailed head into a number of "service heads" and the latter into a number of "departmental heads"; but for purposes of account, the single term "detailed head" is used for all divisions subordinat to a minor head.

2. In the case of Irrigation, Navigation Embankment, Drainage and Water Storage works sanctioned under the new rules of 1929 the subdivisions into which the minor head "Works" is divided for departmental purposes are called "sub-works" and the further subdivision of the latter as "detailed heads" (vide also paragraphs 405 and 407 of the Madras Public Works Department Code and the rules introduced by G.O. No. 2741, I., dated 30th September 1929).

77. The detailed classification of the account heads used in respect of Public Works accounts is given in Appendix 4.

1. To meet local requirements, the Accountant-General is authorized, under the rules in the Audit Code, to make necessary changes in the standard list of detailed heads.

2. In the case of works of other departments and Governments undertaken by the Public Works Department as a standing arrangement, the prescribed classification applicable to the connnected transactions is intimated by the Accountant-General.

78. The revenue and expenditure classified under the prescribed major and minor heads of account fall under two main divisions :—

(1) Central—Revenue and expenditure administered by the Central Government.

(2) Provincial—Revenue and expenditure entrusted to the control of the Local Government under the Government of India Act.

Provincial expenditure in Madras is "Reserved" or "Transferred" according as the subject on which it is incurred is administered by the Governor in Council or the Governor acting with Ministers.

79. Revenue is realized and placed to credit of Government as it falls due under the statutory or other rules governing it, but expenditure can be incurred only against a grant voted by the Legislature (Indian or local as the case may be) or allotted by the Government concerned.

80. All expenditure of the Public Works Department is subject to the vote of the Legislature, with the exception of the items enumerated below, funds for which may be provided without reference to the Legislature :—

(*a*) Expenditure of which the amount is prescribed by or under any law.

Explanation.—The amount prescribed should be considered to mean "the amount which at the time of expenditure is prescribed". Prescription under any law should be considered to include all cases in which an authority is empowered to fix the sum which shall be expended upon a particular object and that authority proceeds to declare the particular amount which shall be so expended.

(*b*) Salaries and pensions payable to or to the dependants of—

(i) persons appointed by or with the approval of His Majesty or by the Secretary of State in Council ; and

(ii) persons appointed before the 1st day of April 1924 by the Governor-General in Council or by a Local Government to services or posts classified by rules under the Government of India Act as superior services or posts.

Explanation.—If a person appointed by the Secretary of State in Council, or appointed before the 1st April 1924 by the Governor-General in Council or by a local Government to services or posts classified by rules under the Government of India Act as superior services or posts, is subsequently appointed to the post the filling of which is in the hands of any authority in India, his salary or pension shall be treated as coming under this clause.

(*c*) Sums payable to any person who is or has been in Civil Service of the Crown in India under any order of the Secretary of State in Council, of the Governor-General in Council or of a Governor made upon an appeal made to him in pursuance of rules made under the Government of India Act.

NOTE.—The expression "salaries and pensions" in clause (*b*) above includes remuneration, allowances, gratuities, any contribution (whether by way of interest or otherwise) out of the revenues of India to any provident fund or family pension fund and any other payments or emoluments payable to or on account of a person in respect of his office.

(*d*) Expenditure classified by the order of the Governor-General in Council as "Ecclesiastical."

NOTE.—With effect from the 1st April 1926, all expenditure in the Public Works Department on the erection, maintenance and upkeep of churches and European cemetries is classified as "Ecclesiastical".

The terms Voted and Non-voted are used to distinguish expenditure subject to the vote from that falling under these exceptions.

81. The incidence of revenue and expenditure under Central or Provincial, and of provincial expenditure under Reserved or Transferred, is determined by the division of subjects as detailed in Rules 3 and 6 and Schedules I and II of the Devolution Rules. See also Rules 4 and 7 of the Devolution Rules.

NOTE.—At present the only Central revenue and expenditure of the Public Works Department in Madras is that relating to—

(i) buildings used or intended for any purpose in connexion with the administration of a Central subject,

(ii) ancient monument declared to be protected monuments under the Ancient Monuments Preservation Act, 1904, unless these monuments have been removed from the operation of the exception specified in clause (*a*) of entry 6 in Part I of Schedule I and in clause (*a*) of entry 6 in Schedule II to the Devolution Rules by notifications issued by the Governor-General in Council in the *Gazette of India*, and

(iii) European cemeteries.

The Governor in Council acts as the Agent of the Governor-General in Council in regard to Central Public Works revenue and expenditure.

82. The term "expenditure" used in paragraphs 78 to 81 includes also charges classified as (*a*) refunds of revenue receipts and (*b*) working expenses, both of which are taken in reduction of revenue receipts. It also includes expenditure on stores, leave salary, etc., incurred in England by the High Commissioner, and charged against the English grant sanctioned separately for the purpose.

B.—SYSTEM OF ACCOUNTS.

83. The main features of the system of Public Works accounts are—

(*a*) The Divisional Officer is the primary disbursing officer of the division who is permitted to obtain by cheques on civil treasuries the funds required for all disbursements in connexion with the execution of works. He also collects some of the departmental receipts of the division and pays them into civil treasuries.

(*b*) The accounts of these receipts and disbursements (including the transactions of subordinate officials acting on his behalf) are complied under his supervision by an accountant posted to his office by the Accountant-General, and are submitted monthly to the Accountant-General who audits them against sanctions and appropriation of funds and then incorporates them in the general accounts of the province.

(*c*) He is further required to maintain clear accounts of all stores received by him and to make these accounts available for audit by the Accountant-General.

(*d*) Under each major head of expenditure, the charges on each project, work or sub-work are recorded separately in the accounts of Divisional Officers. In the case of works of certain classes (see examples cited below) *pro forma* accounts of all transactions connected therewith are prepared annually by the Accountant-General and, for this purpose, the receipts pertaining to each work of this class in so far as the Divisional Officer is responsible for realizing and accounting for the same, are also shown separately in divisional accounts :—

(i) Irrigation, Navigation, Embankment and Drainage Works for which both capital and revenue accounts are kept.

(ii) Quasi-commercial undertakings, such as self-supporting workshops.

(iii) Residential buildings.

(*e*) Personal payment to all Government servants of the department are made on bills presented at civil treasuries in accordance with the general rules of the M.F. & A.C. applicable to all civil departments, and are therefore brought to account by the Accountant-General himself from data furnished to him direct by Treasury Officers.

84. It is not sufficient that an officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not oly himself, but also the Audit Department, that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the *bona fides* of the transactions. It is further essential that the records of payment, measurement and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, if required in a Court of Law. All transactions involving the giving or taking of cash, stores, other properties, rights, privileges, and concessions which have money values should be brought to account. The record of a transaction of receipt or expenditure should always be made at once under the final or the debt or remittance head to which it pertains, if that be known ; but if the exact head cannot be ascertained at once, then the transaction should be temporarily classified under Deposits, if a receipt, or under Miscellaneous Public Works Advances, if a charge.

CHAPTER IV.—RELATIONS WITH AUDIT.

A.—GENERAL.

85. The Divisional Officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transactions of the whole division but also for the maintenance of the accounts of the transaction correctly and in accordance with the rules in force. See also paragraphs 33–35 of the Madras Public Works Department Code.

86. The Divisional Officer is further required to submit his accounts to the Accountant-General who has to apply to them such audit checks as may, from time to time, be prescribed by the Auditor-General under the Rules framed by the Secretary of State in Council, an extract from which is given in Appendix 1. See also paragraph 33 of the Madras Public Works Department Code.

The accounts returns which have ordinarily to be submitted for audit and compilation are enumerated in Chapter XXI, but the Accountant-General is authorized to call for additional accounts, books, papers and writings having relation thereto, should be consider them necessary for the elucidation thereof.

87. The Divisional Officer is responsible that the accounts of his division are not allowed to fall into arrears ; but if arrears or confusion arise, which in his opinion cannot be cleared without the assistant of the Accountant-General, he should at once apply for such assistance.

B.—DIVISIONAL ACCOUNTANT.

88. To assist Divisional Officers in the discharge of their responsibilities referred to in paragraphs 85 and 86 the Accountant-General will post a Divisional Accountant to each Divisional Office.

1. Rules regarding the establishment of Divisional Accountants are given in Appendices 2 and 3.

2. The employment, as an Accountant in a Divisional Office, of any person who does not belong to the establishment of Divisional Accountants is not permissible. But when a regular Accountant is not available, and as a purely temporary arrangement, the Accountant-General has to entrust to a clerk the duties of a Divisional Accountant, he will be appointed to officiate as a Divisional Accountant in the particular vacancy, even though he be not eligible for such appointment under the rules in Appendix 2.

89. (*a*) The functions of the Divisional Accountant are threefold—

(i) as accountant, i.e., as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him ;

(ii) as primary auditor, i.e., as the representative of the Audit Department, charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers, etc. (see Chapter 6, Audit Code) ; and

(iii) as financial assistant, i.e., as the general assistant and adviser to the Divisional Officer in all matters relating to the accounts and budget estimates, or to the operation of financial rules generally.

(*b*) In the discharge of these duties he is expected to keep himself fully conversant with all sanctions and orders passing through the office and with other proceedings of the Divisional Officer and his subordinates which may effect the estimates or accounts of actual or anticipated receipts and charges. He should advise the Divisional Officer on the financial effect of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(*c*) The Divisional Officer should see that he is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently the Divisional Accountant is treated as the senior member of the office establishment of the division, though his position is analogous to that of a Subdivisional Officer.

90. The Divisional Accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the division. If he considers that any transaction or order affecting receipts or expenditure is such as would be challenged by the Accountant-General if the primary audit entrusted to the Accountant were applied by the former, it is his duty to bring this fact to the notice of the Divisional Officer with a statement of his reasons, and to obtain the orders of that officer. It will then be his duty to comply with the orders of the Divisional Officer, but if he has been overruled and is not satisfied with the decision, he should at the same time make a brief not of the case in the Register of Divisional Accountant's Audit Objections, Form 60 [P.W.D. VI-60 (*a*)] and lay the register before the Divisional Officer, so that the latter may have an opportunity either of accepting the Divisional Accountant's advice on reconsideration and ordering action accordingly, or of recording, for the information of the Accountant-General, his reasons for disregarding that advice. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant-General, for whose inspection the register should be available at all times.

91. (*a*) The Divisional Accountant should bring to the Divisional Officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

1. For example, if the Divisional Officer is allowed a lump-sum appropriation for expenditure on group of works, and he has made out of it appropriations for individual works, expenditure should be watched against individual appropriations and excesses brought to the Divisional Officer's notice.

(*b*) We may further be required by the Divisional Officer to undertake, on his behalf, such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the Divisional Officer's own powers of sanction as the latter may consider necessary.

(*c*) The Divisional Accountant will be solely responsible for the issue of objections on account of excess over or for want of sanctioned estimates in the case of petty works [vide paragraphs 108 and 110 (iii) of the Madras Public Works Department Code] except in the case of residential buildings under all fund heads, ecclesiastical buildings under 50. Civil Works, Central Deposit works, maintenance of staff boats, estimates for losses on stock and works of other departments such as post and telegraph works and military works and for regularizing them. He should maintain an objection book in Form VI-116 to record and watch the clearance of such irregularities. The Accountant-General will examine the register during his annual inspection.

92. The Divisional Accountant should inspect at least once a year under the orders of and at the same time as the Divisional Officer, the accounts, records of subdivisional offices and check a percentage of the initial accounts. The defects noticed should be reported to the Divisional Officer for orders, but the Divisional Accountant will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instructions thereon to the Subdivisional Officers and their staff.

1. The results of these inpsections should be placed on record for the inspection of the Accountant-General but serious financial irregularities should be reported at once for the information of that officer, even though set right under the orders of competent authority. *See* also Articles 72 and 72 (*a*) of the Madras Financial and Account Code, Volume I, requiring a report to be made immediately to the Accountant-General of all defalcations or losses of public money, stores or other property.

2. The accounts of interest-bearing securities maintained by Subdivisional Officers should be examined to see that the rules relating to them are observed and that the register in P.W.A. Form 85 [P.W.D. VI-104] is correctly maintained, and with this object a few transactions of the register should be compared with the entries in the cash book or other account, and *vice versa*. The securities certified in the last Annual Account of Interest-Bearing Securities, P.W.A. Form 86 [P.W.D. VI-105] as being on hand should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection, that there are in existence either the original acknowledgments of the depositors bearing dates subsequent to the dates of the last account, or the acknowledgments of the authorized custodians as the case may be.

92-A. Two sets of questions for the guidance of the Divisional Accountant in carrying out his inspections are contained in Appendix 8 of this Code. Part I of the questions contains the subjects which should necessarily be examined by the Accountants. Part II refers to matters about which the Accountant should obtain, before commencing his inspection, the specific orders of the Divisional Officer in writing as to whether he should examine them or whether the Divisional Officer would take them up. The Accountant will then take up those subjects in Part II which the Divisional Officer has ordered him to do so. The remaining points therein should be examined by the Divisional Officer himself.

93. The Divisional Officer has a right to seek the advice of the Accountant-General in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he shall first obtain the advice of the Divisional Accountant who is specially trained for this duty, and this should be done in writing in all cases of importance.

C.—AUDIT INSPECTIONS.

94. The Accountant-General arranges for the periodical test audit and local inspection of the accounts of Divisional and Subidivisional offices, and the Divisional Officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting Officers are required, if possible, to discuss the drafts of their reports with the head of the office inspected before submitting them to the Accountant-General, and, for this purpose it is desirable that the head of the office should be present at the inspection unless his presence is urgently required elsewhere.

The following procedure should be adopted in dealing with the reports of inspection of the accounts of Divisional Offices :—

(1) The report will be sent officially by the Accountant-General to the Executive Engineer concerned who should forward it with his explanations to the Superintending Engineer within one month of the receipt of the report.

(2) The Superintending Engineer should forward the report to the Accountant-General with his remarks and orders within one month of the receipt by him from the Executive Engineer.

(3) The Accountant-General will forward to the senior Chief Engineer extracts from the reports which may seem to call for notice.

(4) The Chief Engineer concerned will deal with all matters within his competence and refer the rest to Government for orders. A copy of the Chief Engineer's orders on the Accountant-General's reference (in the form of proceedings) should be sent to the Accountant-General within a month of the receipt by the Chief Engineer of the Accountant-General's reference. The Chief Engineer should also send to the Accountant-General copies of any separate references which he makes to Government. Only those cases where an officer has to be censured or where money is to be written off or where important questions of policy or procedure are involved should be referred to Government.

(5) The Accountant-General will refer to Government separately questions on which he does not accept the Chief Engineer's orders and general questions of policy or importance on which he requires the decision of the Government.

NOTE 1.—The dates specified above should be strictly observed.

NOTE 2.—Chief and Superintending Engineers and other officers should specify a time limit for reply when calling for explanations and strictly enforce the time limit. The particular points on which further information is required should be specified not only in the reference but in the proceedings sent to the superior or audit authority.

NOTE 3.—Executive Engineers should be present at their headquarters throughout the period of inspection to avoid delays and to minimize correspondence and they should also make a point of summoning to headquarters any subdivisional officer or subordinate whenever it appears likely that their presence will help to elucidate doubtful points.

NOTE 4.—The Audit Department has power to examine contracts and to bring before the Public Accounts C mmittee any cases where competitive tenders have not been s ught or where high tenders have been accepted, or where other irregularities in procedure have come to light.

NOTE 5.—Inspecting officers wishing to made comments on the confidential records shown to them should write such comments in their own hand, treat them as strictly confidential and submit them separately from the general audit report to the Accountant-General.

D.—COMMUNICATION OF SANCTIONS TO AUDIT.

95. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements is to be conducted in the audit office are communicated to it in accordance with the procedure settled locally in consultation with the Accountant-General. See also paragraphs 512 and 513 of this Code and paragraph 212 of the Madras Public Works Department Code.

1. Audit against sanctions accorded by the Divisional Officer is conducted in the Audit office only in respect of technical sanctions to estimates and sanctions to write off stores or losses of public money. In respect of other sanctions of the Divisional Offier the Divisional Accountant is re ponsible for the necessa y check—vide paragraph 91.

2. Sanction to contract agreements accorded by officers higher than the Divisional Officer should be communicated by them to the Accoun ant General in such form as to enable that officer to audit the payments to contractor on the basis of rates sanctioned for each item of work or supply and other necessary terms and conditions. Duplication of agreements should in no case be required; that is to say, an authority who has concluded an agreement shoud not be required to draw up and sign ag in an agreement already executed.

3. All sanctions to works in connexion with Government Houses, whether original works, special or ordinary repairs, should be referred to the Audit O cer for pre-audit and must be accepted by him before any expenditure on the works incurred.

Exception.—Urgent works in the in the Government Houses may be excuted without pre-audit to a limit of 10 per cent of the total annual provision for original works subject to the condition that any liability incurred should at one be reported to the Audit Officer together with an explanation of the urgency.

E.—RESULTS OF AUDIT.

96. The results of audit are communicated to the Divisional Officer in the form of audit Notes, Objection Statement, Inspection Reports, Letters or Memoranda. These should receive prompt attention—vide article 67, Madras Financial and Account Code, Volume I, and the replies of the Divisional Officer should be bassed, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner have more than once, by lulling suspicion, led to greater irregularity afterwards.

97. The maximum limit of time allowed to each division for return of each audit note is given in the following table :—

	DAYS.		DAYS.
Bellary	15	Vennar	13
Chingleput	13	Nellore	14
Sanitary Engineer ..	12	North Arcot	14
Coimbatore	15	Presidency Stores ..	12
Presidency Divisions ..	12	Presidency Workshops ..	12
Godavari, Eastern ..	20	Salem	13
Do. Western ..	20	South Arcot	14
Do. Northern ..	20	Cauvery	14
Do. Head Works ..	20	Tinnevelly	15
Do. Central ..	20	Trichinopoly	14
Kistna, Western	17	Vizagapatam	23
Do. Central	17	West Coast	15
Do. Eastern	13	Madanapalle	15
Kurnool	19	Guntur	15
Periyar	21	River Conservancy ..	17
Ramnad	15	Electrical Engineer ..	1 month.

These limits may be altered by the Accountant-General in consultation with Government.

98. Objection Statements and Inspection Reports should be returned through the Superintending Engineer after the Divisional Officer has recorded his replies thereon. The Superintending Engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken) on all other points, before returning the documents to the Accountant-General.

99. Once a transaction has been entered in the Objection Statement, or otherwise challenged in one of the other documents referred to in paragraph 96, the responsibility for having the objection removed will devolve upon the Divisional Officer, and the Accountant-General is required to report to the higher authorities cases in which objections are not cleared within a reasonable time.

1. An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery, by correcting or completing the relevant account or voucher, by furnishing the necessary documents or information, or by otherwise securing compliance with the provisions of a specified rules. In cases in which a protest is made against an audit objection as being incorrect, the objection should be held to be in force unless a formal intimation of its withdrawal is received from the Audit office.

100. The Audit office is required to place under objection any transaction coming to its notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the Divisional Officer may have already taken action to regularize the transactions, or the excess (if any) over sanction, *plus* any further excess that may be anticipated, may be within his own powers of sanction without preparing a revised estimate, and he may have accorded the necessary formal approval to it; yet, if the necessary intimation of sanction does not reach the Audit office when the divisional accounts in which the irregular transaction appears are being audited, the Audit office is bound to raise the objection, as it is not authorized to assume that the necessary sanction has been accorded. Divisional Officers will, therefore, find it advisable to send to the Audit office the earliest intimation of such of their sanctions and orders as are required to be communicated to audit (vide paragraph 95), and to give it, without waiting for the receipt of the Objection Statement or Audit Note, all necessary information in regard to transactions for which, within their knowledge, adequate authority does not exist. A single note or statement, prepared monthly and signed by the Divisional Officer himself, will ordinarily suffice, in respect of transactions brought to account in the Monthly Account, but, if it cannot precede or accompany the Monthly Account, it should be sent to the Audit office within a week of the despatch of the Account.

1. The object of this rule is to obviate the issue of unnecessary audit objections; but a reduction in the number of objections can be effected only by observing the requirements of the financial and other rules bearing on the transactions and by taking timely action to accord or obtain, as the case may be, such sanction or order as may be required in cases in which a deviation from rule has occurred.

2. The Divisional Accountant is responsible (i) for bringing prominently to the notice of the Divisional Officer, at least once a month, all irregular transactions on which action has not already been taken by the latter at the instance of Subdivisional Officers or of his own motion, and (ii) for giving effect to the provisions of this paragraph in accordance with the procedure which the Divisional Officer may have desired to be observed in this connexion.

3. The Accountant-General, Madras, is empowered to waive excesses of Rs. 250 and below on works reported completed.

CHAPTER V.—APPROPRIATIONS AND CONTROL OF EXPENDITURE.

A.—INTRODUCTORY.

101. (*a*) Expenditure, as defined in paragraph 82, can only be incurred on a work or other object—

(i) if the sanction of competent authority has been obtained, as required by any statutory rules or by any orders, general or special, issued thereunder by competent authority, e.g., the rules in any authorized Code, and

(ii) if funds to cover the charge during the year have been provided by competent authority.

1. In the case of charges against suspense accounts, any expenditure which is not expected to cuase an excess over the net provision for the year, may be held to be covered thereby. See also paragraph 125 (*b*).

(iii) if no breach of any of the canons of financial propriety (vide rule 11 of Appendix 1) is involved.

(*b*) For payments chargeable to the accounts of other divisions, departments or Governments, or of non-Government works, and repayments of deposits, a Divisional Officer does not require any specific provision of funds within the appropriations for his own division. It is sufficient to see that such payments are made only in accordance with the rules in the relevant chapters of this Code.

1. For inevitable payments uncovered by sanction or provision of funds, see article 30-B, M.F. & A.C., Volume I.

B.—GRANTS AND THEIR DISTRIBUTION.

102. A grant or supplementary grant may include expenditure falling under one or more major heads or sections of a major head. For purposes of accounts classification, each major head of account is subdivided into minor heads, the latter being further divided into detailed heads, service and departmental heads—see paragraph 76. The subdivisions of a minor head from the point of view of the distribution of grants and the control of expenditure are known as primary and secondary units of appropriation. The primary and important secondary units into which the grants for expenditure under the several Public Works major heads, Provincial, are divided, are contained in Appendix 4-A. The primary and secondary units for Civil works of the Central Government are contained in Appendix 4-A II.

103. Separate provision is made, within each grant, for Indian and English expenditure, the English provision being intended to cover charges, such as those mentioned below, incurred by the High Commissioner :—

(*a*) cost of stores purchased or to be paid for in England, including freight charges payable at that end ;

(*b*) leave and deputation pay payable in England ;

(*c*) Sterling overseas pay ;

(*d*) other expenditure, such as passage money, advances of pay, etc., incurred in England.

1. All charges paid at ports or elsewhere in India in connexion with stores obtained from England should be treated as Indian expenditure.

104. *Communication of Grants.*—As soon as the Legislative Council has voted the grant or grants for the service or administration of the several branches of the Public Works Department, the Finance Department will communicate to the Chief Engineer concerned the amounts so voted as well as the provision made on account of non-voted expenditure. The particular attention of the Chief Engineer will be called to reductions made by the Council from a demand, as no addition can be made in the case of a demand so reduced without the sanction of the Council except on His Excellency the Governor's certificate under section 72-D (2) (*a*) and (*b*) of the Government of India Act. The amounts will be communicated in the form of lump sums allotted under minor heads and sub-heads of account and distributed

over the appropriate primary, and when considered desirable, over the secondary units of appropriation. In any case in which the primary and secondary units described in Appendix 4-A are too numerous or are too inadequate, Government will adopt a smaller or larger number of units as the case may be. If, in any case, the appropriation under a primary or secondary unit includes also expenditure on objects requiring a specific appropriation, such items and the appropriations therefor will also be specifically communicated through the Departmental Budget. A copy of the order communicating the distribution will be sent to the Secretary to Government in the Public Works Department and to the Accountant-General.

Should the sanctioned estimates include provision for expenditure in England, the Finance Department will communicate to the Chief Engineer the amount allotted for such expenditure. A similar intimation will be sent to the Auditor, India Office, and to the High Commissioner, or to the Accountant-General at the India Office.

105. An appropriation or reappropriation within the grants of a year can be authorized at any time before, but not after, the expiry of the year.

106. An appropriation is intended to cover all the charges including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. It is operative until the close of the financial year. Any unspent balance lapses and will not be available for utilization in the following year unless Government include any anticipated lapses in the demand for the following year.

1. The financial year closes on the 31st March. After that date all cash and stock transactions are treated as pertaining to the following year, but *bona fide* transfer entries are permissible for some months—vide paragraph 575.

107. *Deleted.*

108. In the absence of provision in the year's budget no expenditure may be incurred on any new major work under the heads "18" and "68" "Irrigation, Navigation, Embankment and Drainage Works", and "50" and "81", "Civil Works", until a supplementary grant has been obtained except in the case of major works under His Excellency the Governor's residences ; in the latter case a provision for each work is not required but only a lumpsum for all original works.

109. *Distribution by the Chief and Superintending Engineers.*—The Chief Engineer, Roads and Buildings, and the Chief Engineer, Irrigation, will distribute the amounts allotted to them among the Superintending Engineers and other officers under their direct control. The Superintending Engineers will likewise distribute the amounts at their disposal among the several Executive Engineers who are subordinate to them. The Chief and Superintending Engineers may, in carrying out such distribution, retain a portion of their appropriations as a reserve in their own hands. In making this distribution the following points should be borne in mind :—

(i) The sum total of the appropriations made by any authority from a unit should not exceed the amount of the unit or portion thereof placed at his disposal.

(ii) An officer at whose disposal an appropriation for a primary or secondary unit has been placed may, out of it, allot funds for expenditure on a specific work or item or on a group of works or items of expenditure, provided that no funds are allotted to new minor works costing more than Rs. 2,500 or to new major works not mentioned in the Budget.

(iii) The appropriations for any unit or for works or other objects or which a specific appropriation has been provided may be increased or decreased only by a formal order of reappropriation authorizing a transfer of funds from or to another unit or work by a competent authority.

110. *Lump-sum appropriation at the disposal of the Divisional Officer.*—A Divisional Officer at whose disposal a lump-sum appropriation has been placed for a group of works or items may allot out of it funds for specific works or items. Thus, for example, a Divisional Officer may allot appropriations for minor works and repairs individually out of the lump sums at his disposal.

C.—PROGRESS OF EXPENDITURE AND THE WATCHING OF ACTUALS.

I.—Duties of the Divisional Officer.

111. It is an important function of the Divisional Officer to keep a constant watch over the progress of expenditure and to keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps to obtain extra funds or surrender probable savings, as may be necessary. The plan to be followed in actual practice for this purpose will be slightly different in the case of expenditure met by means of cheques drawn on the treasury and accounted for in the monthly divisional accounts, from that to be followed in the case of expenditure met by bills presented at the treasury and not passing through the divisional accounts.

112. *Procedure to be followed in the case of expenditure accounted for in the Divisional accounts.*—The bulk of the expenditure falls under the category of one or the other of the following :—

(1) Works (Original works, extensions and improvements, maintenance and repairs) ;

(2) Tools and plants ; and

(3) Suspense.

The accounts maintained in the Public Works Department contain already all the details necessary for an adequate watch of expenditure under the above heads. Thus in the case of works costing over Rs. 1,000 Works Abstracts and Registers of Works [Public Works Account Code Forms Nos. 33, 34, 40 and 41 (P.W.D. VI-81, 82, 89 and 90)] and in the case of those under Rs. 1,000 the Petty Works Requisition and Account in Public Works Account Code Form 32 (C.F. No. 145) contain a progressive account of the expenditure on each individual work. Where a specific appropriation has been provided for any work, the progress of expenditure against the appropriation can, therefore, be watched through the Register of Works. In cases in which a lump sum has been placed at the disposal of the Divisional Officer for a number of works, the Divisional Officer can, if he distributes the lump sum among individual works, watch the expenditure on each of the latter in the same manner. Further the expenditure on all such works against the lump sum may be watched though the schedule of Works Expenditure [Public Works Account Code Form 63 (P.W.D. VI-26)]—vide paragraph 558. Similarly Public Works Account Code Form 63 (P.W.D. VI-26), which is also the form utilized for consolidating the month's expenditure on Tools and Plant and the Suspense Schedules in Forms 67 to 71 (P.W.D. VI-20, 27, 29 and 30) can be utilized, after noting in the latter in a suitable place the appropriation for the year, in watching the progress of expenditure against the appropriation. Thus the divisional accounts can be suitably adopted for the purpose. It is, however, necessary that an abstract of expenditure should be prepared monthly for each major head of account with the help of the divisional accounts to enable the Divisional Officer to take a comprehensive view of the expenditure for the division as a whole and also to furnish the information necessary to enable the Superintending Engineer to watch the progress of expenditure in the divisions severally and collectively.

113. The Divisional Officer should prepare a monthly statement in Form X (Appendix 4-A) for each major head of account for the reason referred to in the last sentence of paragraph 112 above. This statement should show the various minor and detailed heads (primary and secondary units of appropriation), individual works for which specific appropriation has been sanctioned by a higher authority, as well as the appropriations therefor as modified from time to time. Works for which a lump sum appropriation has been placed at the disposal of the Divisional Officer may, however, be grouped together and only the totals shown. The expenditure incurred under each primary and secondary unit and under any work or item requiring a specific appropriation should be posted in the relevant column from the

Register of Works and the Schedules of Works Expenditure in Public Works Account Code Form 63 (P.W.D. VI-26). In the case of the suspense heads, the net debit or credit alone need be posted from the register in Public Works Account Code Form 67 (P.W.D. VI-20). Undischarged liabilities and anticipated credits should be separately recorded in the column provided for the purpose, as it is necessary to take them into account in reviewing the progress of expenditure —vide paragraph 115 (*a*) and (*b*). The special attention of Divisional Officer is drawn to paragraphs 103, 116 and 122 to 125.

The Electrical Engineer and the civil officers acting as Public Works disbursers should forward a monthly statement in Form "X" (Appendix 4-A) in duplicate direct to the Chief Engineer who will review the progress of expenditure with the help of these statements.

114. The statement referred to in paragraph 113 above should be completed within a week after the date fixed for the closing of the divisional accounts and a copy should be forwarded to the Superintending Engineer with such proposals as the Executive Engineer may think necessary for the reappropriation of funds or for the surrender of probable savings. The Divisional Officer should attach special importance to the statements after the first six months of the year and should devote particular attention to their review.

115. (*a*) In this review of expenditure, undischarged liabilities play an important part and their effect on individual and lump-sum appropriations should, therefore, be watched.

1. Liabilities may be divided into four classes—(i) those outstanding in the suspense accounts, relating to contractors and labourers in the accounts of works, (ii) those outstanding in any of the regular suspense accounts of the division, (iii) outstanding debts adjustable by book transfer, and (iv) matured claims of contractors, suppliers, etc., awaiting settlement, and all unmatured claims, recurring or non-recurring likely to fall due for settlement before the close of the year. Liabilities of class (ii) may affect not only the grants for the minor head "Suspense" of the major head "50. Civil Works", but also the grants for works and services falling under the same and other major heads ; see also paragraph [125 (*b*)].

(*b*) Anticipated credits (if any) which will ultimately be taken in reduction of the expenditure chargeable against any individual or lump-sum appropriation should also be taken into account. See statement E of Appendix 4.

116. All liabilities and assets of the division adjustable by transfer credit or debit to remittance heads of account should be registered in Public Works Account Code Form 57 [P.W.D. VI-37] (*a*) Register of Transfers Awaited, as soon as they become known. As they are cleared, an entry should be made in columns 7 to 9 so that items awaiting adjustment may be known at any time.

1. This register is intended primarily for all transfer transactions, recurring or non-recurring which have to be responded to by the division, but if desired, important item which will be cleared by original debits or credits may also be entered to facilitate the watching of their clearance.

II.—Duties of the Superintending and Chief Engineers.

117. The Superintending Engineer should, after a thorough review of the statements received from the Divisional Officers, take such action as he considers necessary without delay and consolidate the statements of the Divisional Officers in Form Y (Appendix 4-A) in order to review the progress of expenditure against the appropriation placed at his disposal by the Chief Engineer. A circle report should be prepared in duplicate and forwarded to the Chief Engineer. The Chief Engineer will review the progress of expenditure for each circle with the help of these statments. The circle statements should then be consolidated in Form Y (Appendix 4-A) for the purpose of reviewing the progress of expenditure for the whole province.

118. The Chief Engineer will check the circle report with the accounts of the Audit office and return the duplicate copy of the report with corrections, if any, to the Superintending Engineer explaining at the same time the reasons for such corrections. Any corrections pointed out by the Chief Engineer should be incorporated by the Superintending Engineer and communicated to the Executive Engineer.

III.—Expenditure incurred by bills drawn on the treasury debitable to the Public Works major heads.

119. The only expenditure that falls under this category is that classified under the minor heads "establishment" and "grants-in-aid". The detailed procedure for controlling the expenditure under "establishment" will be found in Appendix 4-A.

IV.—Grants-in-aid.

120. Grants-in-aid falling under the Public Works major heads are not accounted for in the divisional accounts as they are paid directly at the treasury. The only major heads under which these charges occur are "18-A (2). Irrigation, Navigation, Embankment and Drainage Works—Miscellaneous Expenditure" and "50. Civil Works", Grants-in-aid under the former head are confined to contributions sanctioned by Government to the Irrigation Cess Fund, Trichinopoly, and to the Municipal Council, Salem, towards the cost of maintaining Panamarathupatti water-works, etc. The amounts are small and are adjusted by the treasury.

121. Grants-in-aid under "50. Civil Works" are, however, considerable and the majority of them consists of grants to District Boards and Local Bodies.

(*a*) For the maintenance of—

(1) trunk roads;

(2) second-class roads;

(3) miscellaneous recurring grants-in-aid or road maintenance paid on standing sanctions; and

(*b*) other specific public works such as construction of roads, bridges and so on.

In the absence of a head of a department to record and watch the progress of expenditure under these heads, Government (in the Local Administration Department) watch the progress of expenditure on the information furnished by the Accountant-General between the months of November and April in the prescribed return (Appendix 4-A).

D.—SPECIAL RULES RELATING TO EXPENDITURE IN ENGLAND.

122. (*a*) In order to exhibit as accurately as possible the cost of works and stores in the detailed accounts thereof maintained by Divisional Offiers, the full value of stores obtained from England must be incorporated therein. The detailed procedure is prescribed in paragraphs 428 to 430.

(*b*) This feature of the accounts should be borne in mind in obtaining grants. The appropriations for the minor heads ralating to works and stores should be inclusive of the English cost converted into rupees at the probable average rate of exchange [paragraph 123 (*a*)] and there should be a corresponding *minus* appropriation, divided into two sections, (1) Par Value, and (ii) Loss or Gain by Exchange for the minor head * "*Deduct*—English Cost of Stores" of the major head under which the suspense account "London Stores" of the division is maintained.

NOTE.—The establishment charges paid in India and in England are brought together in the books of the Accountant-General but outside the accounts of the Divisional Officers.

* Under the major heads "18-A (2)", "18-B (2)" and "50" the nomenclature of the corresponding minor heads is "*Deduct*—English cost of Stores and Establishment."

123. (*a*) The charges incurred in England by the High Commissioner against the English provision are ultimately brought to account in the annual accounts of the Indian Empire but outside the books of the Divisional Officer. The sterling payments are converted into rupees at the par rate (Rs. $13\frac{1}{3}$ = £1), and the rupee equivalent is charged as English expenditure, separately for (i) Stores, and (ii) Establishment charges. The difference between this amount and the rupee equival lent at the average rate of exchange (paragraph 429) is booked under the minor head " Loss or Gain by Exchange " [also divided into (i) Stores, and (ii) Establishment charges] as a *plus* or a *minus* charge, according as it is a loss or a gain.

(*b*) The English expenditure converted into rupees at the par rate (Rs. $13\frac{1}{3}$=£1) will only go against the English provision. The minor head " Loss or Gain lb) Exchange " affects the Indian provision and the anticipated loss or gain, should, therefore, be covered by a *plus* or *minus* provision in the Indian section of the grant.

1. In the case of stores, the English expenditure and the Loss or Gain by Exchange appear under the major head under which the suspense account " London Stores " of the division is classified.

2. All indents on the High Commission for Stores should be classified as pertaining to the major head referred to in Rule 1, to enable the High Commissioner to classify the charges correctly in the accounts of his transactions for the province.

124. Any savings under the minor head " Loss or Gain by Exchange " due to there being a gain when loss was anticipated, or to the amount of the gain being greater than it was anticipated, are not available for reappropriation as gain represents receipts though booked a *minus* expenditure in the accounts, and additional receipts cannot be appropriated towards additional expenditure without a supplementary grant.

125. The following points should receive special attention :—

(*a*) The *minus* appropriation for the units under the minor head " *Deduct*— English Cost of Stores and Establishment " is covered by an equivalent *plus* provision included within the appropriations for the units for works, stores and establishment. This additional provision under the latter units should be reserved for the English charges on stores and establishment. Any savings likely to accrue should be surrendered.

(*b*) The appropriations for suspense accounts provide for the net increase or decrease during the year, that is, for the difference between the gross debit and the gross credit of the whole year. They impose an obligation on the Divisional Officer so to regulate his transactions during the year as to work up to the anticipated increase or decrease in the suspense balances. There is a corresponsing obligation on him to make, in the accounts of the year, all the adjustments, recoveries or payments necessitated by the actual transactions of the year. This responsibility is in respect of both the opening balances and the fresh operations (debits and credits) of the year. Where the clearance of any items is likely to cause any additional charges against other units of appropriation, the funds necessary to meet the charges should be reserved under those units.

E.—APPROPRIATION AUDIT BY THE ACCOUNTANT-GENERAL.

126. (*a*) The Accountant-General is responsible for watching firstly that the total expenditure under a grant does not exceed the grant and secondly that the total expenditure under each minor head and each primary unit within a minor head does not exceed the Provincial appropriation therefor as modified by orders of reappropriation passed by a competent authority from time to time.

(*b*) He must further see, with reference to paragraphs 108 and 109 above,

(1) that the expenditure on each irrigation, navigation, drainage and embankment project for which capital and revenue accounts are kept is audited against the specific appropriation for it,

(2) that in the case of *construction* of irrigation, navigation, drainage and embankment projects not charged to revenue expenditure is not incurred on any new work (major or minor) costing more than Rs. 2,500 not mentioned in the Budget, without the sanction of Government.

(3) that in the case of irrigation, navigation, drainage and embankment projects for which neither capital nor revenue accounts are kept, the expenditure on every major work is audited against the appropriation for that work.

(4) that in the case of Civil Works (major heads "50" and "81"), the expenditure on each major work is watched against the appropriation therefor and that no expenditure is incurred on any new work, major or minor, costing over Rs. 2,500 not mentioned in the Budget, without the sanction of Government.

NOTE.—The duty of enforcing that the distributions made by the Chief Engineers among the Superintending Engineers and by the latter among their subordinates are not exceeded rests with the Chief Engineers and the Superintending Engineers themselves. Divisional Officers should likewise see that the distributions made by themselves or by a higher authority for specific works or projects are not exceeded.

(*c*) Subject always to the privisions of clause (*a*) above, the Accountant-General is authorized to pass in audit up to Rs. 500,

(i) expenditure not covered by appropriation on unfinished major works of the previous years which are likely to be completed in the new year, and

(ii) expenditure in excess of appropriation.

F.—MISCELLANEOUS.

127. The detailed procedure relating to the preparation of demands for grants, to the appropriation and reappropriation of funds and to budget matters generally, is laid down in the Budget Manual. The powers of reappropriation delegated to the Chief Superintending and Executive Engineers will be found in Chapter VI of the Madras Public Works Department Code.

Rules relating to the Budget Estimates under "50. Civil Works—Central" will be found in Appendix 4-C.

CHAPTER VI—CASH.

A.—INTRODUCTORY.

128. The term "cash", as used in this chapter, includes legal tender coin, currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of half-anna and one-anna postage stamps, may, when necessary for use as receipt stamps, be kept as part of the cash balance. Government securities, deposit receipt of banks, debentures and bonds accepted as security deposit under the provisions of paragraph 453 are not to be treated as cash. See also articles 16 (*a*) and (*b*), M.F. & A.C., Volume I.

129. Primarily the Divisional Officer is the responsible disbursing officer of the division, but he may delegate this function to his subordinate officers in certain cases—vide paragraph 286.

130. Every Government servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the prescribed account as well as for the correctness of the accounts in every respect. The private cash or accounts of members of the department may not be mixed up with the public cash or accounts.

B.—MODES OF OBTAINING CASH FROM TREASURIES.

I.—General.

131. Disbursing officers of the department obtain cash for disbursement in two ways, viz., directly by bills drawn on the treasury or by means of cheques. For payment of pay and allowances of Government servants on the regular establishment not charged directly to works, certain heads of offices and other officers draw bills on treasuries in prescribed forms in accordance with the rules in Chapter XVII. All other disbursements are made by Divisional Officers, who may empower Subdivisional Officers to make disbursements on their behalf. For this purpose, Divisional Officers are ordinarily placed by the Accountant-General in account with one or more treasuries within their jurisdiction and they may either authorize Subdivisional Officers to obtain money from the treasuries within the jurisdiction of the latter by drawing cheques or place them in funds by means of a fixed imprest or by transfer of cash from the divisional cash chest.

132. The appropriation of departmental receipts to expenditure in the department is strictly prohibited except in the cases provided for in paragraph 149. See article 22 (*j*), M.F. & A.C., Volume I.

NOTE.—Contingent bills are directly encashed at the treasury, and are not paid out of the departmental receipts.

133. Sub-treasuries are collecting depots and not disbursing treasuries, but to meet the convenience of Public Works Officers it has been arranged that funds required for disbursement may be obtained by means of cheques drawn on sub-treasuries subordinate to a treasury with which a disbursing officer has been placed in account. See also article 49 (v), M.F. & A.C., Volume I.

NOTE.—The term "treasury" as used throughout this Code includes a sub-treasury unless the contrary is evident from the context.

134. The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works or on contingent bills is detailed in Chapters XVII and XVIII. Undisbursed balances of cash thus obtained may be kept in departmental cash chests, but they should not be mixed up with regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted for in accordance with the rules in the following paragraphs.

135. Without making previous arrangements through the Accountant-General, no officer is authorized to draw cheques on a treasury situated outside the limits of the province.

136. When, for the convenience of work, it is necessary that the Divisional Officer or any of his subordinate disbursing officers should be authorized, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Accountant-General on the recommendation of the Superintending Engineer. Similarly, the Divisional Officer may, if necessary, specially authorize any of his Subdivisional officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division.

1. This rule is intended to be applied with special care and only to cases of real necessity. Payments oconractorsac should, as far as conveniently practicable, be made by cheques on the nearest treas ry and a stipulation to the effect that payments shall be so made should be inserted in the contrut agreement where necessary.

II.—Monthly Estimates and Receipts and Expenditure.

137. *Deleted*—vide G.O. No. 2379 W., dated 14th November 1927.

III.—Limits on Subdivisional Officers' Drawings.

138. If the Divisional Officer considers it necessary, for the maintenance of efficient control over the disbursements of his division, to set a monthly limit on the drawings of any of his Subdivisional Officers, he may do so, fixing either a standing limit or a fresh limit either every month or whenever necessary. All such limits may be raised or lowered subsequently. Intimation of every limit when fixed or changed should be sent both to the Subdivisional Officer and to the Treasury Officers concerned. In places where an office of the Reserve Bank of India or a branch of the Imperial Bank of India is conducting treasury business, similar intimation should be sent to the bank also direct.

1. For this purpose, the Divisional Officer may require the Subdivisional Officer to submit, by a convenient date, e stimate of his probable requirements in suitable form.

2. The limit when fixd tshould be for the account month of the subdivision and the dates of the commencement anhe ermination of the month must be specified in the intimation to, the Treasury Officer and the bank concerned.

3. At the option of the ivisional Officer, the limitation may not be intimated to the Treasury Officer, and the bank concerned, if the check exercised by the Divisional Accountant over the subdivisional cash accounts, after the expiry of the month, is considered sufficient for the purposes of the Divisional Officer. See paragraph 91.

IV.—Cheques.

139. Petty sums under ten rupees should not be paid by cheques and for the disbursement of these and other charges which naturally are paid in cash, e.g., the wages of labourers and of esta blishment charged directly to works, and value payable postage, it is permissible to draw money from time to time from the treasury by cheque to replenish the cash chest. Whether there be a guard or not, disbursers must draw cheques for the minimum of cash actually required to meet current disbursements, and if it is found at any time that the balance in hand is larger than is required to meet the anticipated expenditure of the next month, or of the next fifteen days if the treasury is not situated at an inconvenient distance, the surplus should be returned into the nearest treasury.

140. In drawing cheques (Form 6) drawing officers should be guided by the general rules laid down in Chapter I of the M.F. & A.C., Volume I. The special rules applicable to the department are set forth in paragraphs 141 to 145.

141. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing officer on any treasury should be distinguished by a different letter from those drawn by the other disbursing officers of the division on that treasury and also from those drawn by himself on any other treasury.

142. In the case of sub-treasuries the advice of the number of the cheque book to be used (vide article 49-I and II of the M.F. & A.C., Volume I) should ordinarily be sent through the district treasury ; but in cases of urgency, it may be sent direct to the sub-treasury, a copy being forwarded simultaneously to the district treasury.

143. If a limit has been set by the Divisional Officer on the drawings of a Subdivisional Officer under the provisions of paragraph 138, the limit prescribed for the drawings on each treasury during a month should be entered on the reverse of the counterfoil of the cheque book for that treasury before any cheques are drawn during that month, and the Subdivisional Officer should watch that the limit is not exceeded by deducting from it, on the reverse of the counterfoils, the amount of each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month.

1. In the absence of a monthly limit on his drawings the drawing officer should record on the reverse of the counterfoil of each cheque the amount of the next cheque drawn and, the total of the drawings during the month, and carry forward their total to the next counterfoil, thus enabling himself, from time to time to exercise an independent check on the postings in his cash book.

144. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the date of its issue (vide article 49-IV of the M.F. & A.C., Volume I), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and the date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

1. For procedure relating to lost cheques, see article 50 of the M.F. & A.C., Volume I.

145. When it is necessary to cancel a cheque, the cancelment should be recorded on the counterfoil, and the cheque, if in the drawer's possession should be destroyed. If the cheque is not in his possession, he should promptly request the Treasury Officer to stop payment of the cheque and on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a *minus* figure on the payment side in the "Bank or Treasury" column. A counter reference should be given in the cash book, against the original to the second entry of the cheque. A cheque remaining unpaid from any cause for twelve months from the date of its issue should be cancelled and its amount written back in a similar manner.

C.—RECEIPT OF MONEY.

I.—Account Procedure.

146. When money is received by a Government servant on behalf of Government it should at once be brought to account in the cash book and a receipt in Form 3 (P.W.D. VI-17) should invariably be granted to the payer. If, however, the amount be realized by recovery from a payment made on a bill or other voucher setting forth full particulars of the deduction, a receipt should be granted only if specially desired by the payer, but the fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt.

1. Final acquittance for private cheques and drafts on local banks accepted under proper authority vide article 16 (*b*) of the M.F. & A.C., Volume I] should not be given to the payer until they have been cleared.

2. Before an officer signs a receipt in Form 3 (P.W.D. VI-17) for cash actually received by him, he should see that the receipt of the money has been duly recorded in his cash book and in token of this check the entry in the cash book should be initialed and dated at the same time.

When the officer signing the receipt is in camp but the cash book is at his headquarters, the counterfoil of the receipt book should be compared with the entry in the cash book on the next occasion when he sees the cash book or when he returns to headquarters whichever is earlier the entry in the cash book being initialed and dated in the usual manner in token of this check.

3. The head clerk or cashier may, when specially authorized to do so by the Divisional Officer or Subdivisional Officer, receive money at headquarters when the latter is in camp. In such cases he should promptly issue a temporary receipt in C.F. No. 106 (*a*) for the cash actually received by him and should simultaneously enter the amount in the Cash Book. Formal receipts in Form 3 (P.W.D. VI-17) in confirmation of the temporary receipts should be issued signed duly by the Divisional or Subdivisional Officer immediately on in the latter's return to headquarters. Before signing the formal receipt the officer concerned should compare it with the amount of the counterfoil of the temporary receipt and the corresponding entry in the cash book and he should initial the counterfoil of the temporary receipt and the entry in the cash book.

NOTE.—Temporary receipt books should not be allowed to be in the custody of a head clerk or cashier beyond the minimum period necessary and they should be kept in the personal custody of the officer when he is at headquarters.

147. Receipts in Forn (P.W.D. VI-17) can be issued only by Divisional Officers, Subdivisional Officers or other Government servants specially authorized by Government, and all persons regularly or frequently receiving money on behalf of Government should keep a cash book in Form I (P.W.D. VI-3).

148. When a section officer collects revenue from parties to whom grass plots, fruit trees, padugai lands, canal berms, etc., are leased or receives money from sales of materials, etc. (or if any other Government servant who is not in charge of a Cash Book similarly receives money on behalf of Government at exceptional times), he should not mix it up with the imprest or any other cash in his charge but should at the earliest opportunity (1) remit it to the Subdivisional Officer (or other nearer superior officer having a Cash Book) or (2) remit it direct into the treasury accompanied by a chalan in duplicate and send the treasury receipt to the nearest superior officer having a Cash Book. The cash in the former case or the treasury receipt in the latter case should be accompanied by a remittance slip in P.W.D. Form III-2 on the back of which the section officer should enter full particulars of the money realized by him with the date of its realization. In either case, the section officer should also send a copy of the remittance slip to the Divisional Officer for check of the receipt entry which should appear in the copy of the Subdivision or other Cash Book. The record of the transaction will be in the correspondence and not n the imprest account of the receiving officer.

The Subdivisional Officer should, on receipt of the duplicate copy of the remittance slip along with cash or treasury receipt, fill in the two forms of memorandum of acknowledgment attached thereto, one intended to be the subdivisional office copy and the other intended to be sent to the section officer, and send the latter forthwith to the section officer along with a permanent receipt for the amount received from him or remitted by him into the treasury. If the memorandum of acknowledgment and the permanent receipt are not received by the section officer within a week of his sending the cash or treasury receipt he should forthwith report the fact in writing to the subdivisional officer by name and obtain them.

NOTE.—(1) The section officer or other Government servant who receives money on behalf of Government should promptly issue to the payer a temporary receipt in C.F. No. 106 (*a*). The Subdivisional Officer or other nearer superior officer who maintain a cash book and to whom the money or treasury receipt therefor is sent, should, on receiving the money or the treasury receipt (with remittance slip) make the necessary entry in the cash book and issue to the payer a receipt in Public Works Department Form IV-17 in confirmation of the temporary receipt granted by the officer who collected the money. The number of the temporary receipt if any

issued, with date and that of the permanent receipt should be recorded in the prescribed columns of the cash book. The entries made in the cash book in such cases should be initialed and dated by the Subdivisional Officer at the same time—vide rule (2) below, paragraph 146 above.

(2) If the headquarters of the section officer or other Government servant who received money on behalf of Government are situated in or near station where there is a treasury, he should remit the money into the treasury and send the treasury receipt with other particulars to his superior officer who maintains a cash book.

(3) The section officer or other Government servant receiving money should, at the end of every month, send to his superior officer in whose cash account the receipt will appear, full particulars (giving reference to remittance slip or treasury chalan and temporary receipt), of amounts collected and remitted by him during the month. The superior officer should *personally* verify the items with reference to the entries in the cash book and take prompt and efficient action in regard to discrepancies, if any. He should also verify if the numbers of the temporary receipts and remittance slips relating to the transactions of a mont in each section are continuous. If not he should enquire immediately what the missing numbers pertain to and promptly take all necessary further action. When the transactions are nil, a nil statement should be sent. If the statement is not received on the due date it will be the duty of the superior officer to call for it.

II.—Disposal of Receipts.

149. Cash realized by officers of the department should be paid, as soon as possible, into the nearest treasury, for credit as miscellaneous receipts of the department. Should a divisional officer or subdivisional officer, however, require to make use of cash receipts temporarily for current expenditure, he may do so instead of obtaining fresh cash by cheques ; but before the end of the month, he must send to the treasury a cheque for the amount thus utilized, drawn in his own favour and endorsed by himself with the words " Received payment by transfer credit to the Public Works Department."

NOTE.—(1) This rule does not apply to receipts realized by short payment on bills or other vouchers.

(2) The remittance of collections into the treasury may be made once in a month in time for incorporation in the cash book of the superior Departmental Officers for the month or when the total collection on hand exceeds Rs. 5.

D.—PAYMENTS.

I.—Manner of Payment.

150. Officers authorized to draw cheques should, as far as possible, pay by cheques ; but see also paragraph 139.

151. It is permissible to make payments to suppliers of stores by obtaining remittance transfer receipts from the district treasury in accordance with the rules in article 325, M.F. & A.C., Volume I. Remittances for such purposes, for which remittance transfer receipt cannot be issued by treasury officer, may be made by postal money order at the public expense.

152. As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and others should be made over to them by the disburser direct ; but the disburser may be assisted in making disbursements by a cashier appointed for the purpose under paragraph 300 of the Madras Public Works Department Code. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disburser. In such cases the subordinate should make no entry in any accounts which he keeps, as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque, and the subordinate's record will be in his correspondence.

1. It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilized.

152-A. Payments due to contractors may be made to financing Banks instead of direct to contractors provided that the department obtains (1) an authorization from the contractor in the form of a legally valid document like a power-of-attorney or transfer deed conferring authority on the Bank to receive payment, and (2) the contractor's own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claim preferred against

Government, before settlement of the account or claim by payment to the Bank. While the receipt given by the Bank holding a power-of-attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should, wherever possible, be induced to present their bills duly receipted and discharged through their Bankers.

II.—Prohibitory Orders or Injunctions.

153. When money due to a contractor or other creditors is attached by a prohibitory order of a Court and is afterwards paid into that Court, the receipt (to be prepared by the Public Works Department) signed by the Court should show that the payment is on account of an attached debt and should set forth *inter alia*, the name and capacity of the actual creditor to whom the money is due by the department, on what account it is due, and the number and date of the Court's order in accordance with which the payment is made. This receipt should be attached to the contract certificate or other bill in which the particulars of the creditor's claim are recorded and should be enfaced in red ink by a reference to that bill, the bill being correspondingly enfaced by a reference to the attached receipt of the Court.

III.—Vouchers.

154. As a general rule, every payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim. As far as possible, the particular form of voucher applicable to the case should be used. Suppliers of stores and others should be encouraged to submit their bills and claims in proper departmental forms. But bills not prepared on such forms should not be rejected if they set forth the necessary details of the claims. In such cases, the additional particulars required should be added by the disbursing officer—vide paragraph 311-A.

1. When it is not possible to support a payment by a voucher a certificate of payment prepared in manuscript, signed by the disbursing officer, and endorsed, if necessary, by his superior officer, should always be placed on record. Full particulars of the claims should invariably be set forth, and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon.

155. Every voucher must bear a pay order signed or initialed and dated by the responsible disbursing officer. This order should specify the amount payable both in words and figures.

1. Cashiers and others authorized to make disbursements on passed vouchers, vide paragraph 152, should make no payment without a proper pay order of the responsible disbursing officer recorded clearly in ink on the bill or other voucher. No payment should be made on a voucher or order unless it is signed by hand and in ink.

156. Except as provided in paragraph 152-A, every voucher should also bear, or have attached to it, an acknowledgment of the payment, signed by the person by whom or in whose behalf the claim is put forward. This acknowledgment should always be taken at the time of the payment.

If a disbursing officer anticipates any difficulty in obtaining, from the person to whom money is due, a receipt in the proper form, it is open to him to decline to hand him the cheque or cash, or to make a remittance to him, as the case may be until the acknowledgment of the payment with all necessary particulars, has been given by him. In all cases of payment by remittance, a note of the date and mode of remittance must be made on the bill or voucher at the time of remittance. In cases of remittance by postal money order, the purpose of the remittance should be briefly stated in the acknowledgment portion thereof—vide Note under Rule 6, Appendix 19 to the M.F. & A.C., Volume II.

2. In the case of articles received by value-payable post, the value-payable cover together with the invoice or bill showing the details of the items paid for may be accepted as a voucher. The disbursing officer should endorse a note on the cover to the effect that the payment was made through the post office and this will also cover charges for the postal commission.

3. A certified copy (marked duplicate) of a receipted voucher may be retained by the disbursing officer should this be necessary to complete the record of his office, but the payee should not be required to sign such a copy or give a duplicate acknowledgment of the payment.

4. When a bill submitted by a $\frac{\text{contractor}}{\text{supplier}}$ for supplies made to Government is endorsed in favour of a Bank, payment may be made to the Bank only if the bill is receipted by the $\frac{\text{contractor}}{\text{supplier}}$ and endorsed in favour of the Bank.

To ensure the genuineness of the $\frac{\text{contractors,}}{\text{suppliers'}}$ signature in both (1) the receipt and (2) the request to pay the amount to a Bank, the disbursing officer concerned should call for the specimen signature of the contractor or supplier or his agent, who may be authorized to receive payment on his behalf, the signature in the case of an agent being also required to be attested by the contractor or supplier. The disbursing officer should satisfy himself that the signature both on the receipt and on the request to pay the amount to the bank is genuine, by comparing it with the specimen signature obtained separately before payment is actually made.

157. General instructions regarding the preparation and completion of vouchers are given in Chapter I of the M.F. & A.C., Volume I. The following supplementary instructions should also be observed :—

(*a*) When the payee signs in a vernacular, he should be required to note the amount acknowledged in the vernacular in his own handwriting. In transliterating his acknowledgment, the amount acknowledged, as well as any remark made by him should also be reproduced in English.

(*b*) The disbursing officer is responsible that the full name of the work as given in the estimate (and other particulars specified in paragraph 287) or the head of account, to which the charges admitted on a voucher are debitable, or to which the deductions or other credits shown in the voucher are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position.

158. When vouchers or accounts exhibit any expenditure from which revenue may *prima facie* be expected to accrue as, for instance, when payment appears in a bill for removing material from a building or other work, either dismantled or undergoing repairs or for clearing jungle or cutting trees in the compound of buildings or in canal banks, etc., the necessary information should be given in the account or voucher concerned as to how the old materials removed or the trees cut have been disposed of, and if sold, when the sale amount will be credited in the accounts.

All vouchers for expenditure should, in such cases, invariably bear a note by the Divisional Officer, as to whether the timber, etc., has a saleable value, and if so, by what approximate date the value will be credited in the accounts after realization by auction, etc.

159. Bills received from firms for supply of stores should be dealt with in original and submitted to the audit office as vouchers.

E.—REMITTANCES TO TREASURIES.

160. The officer in charge of a cash book should keep a book in Form 4 (P.W.D. VI-14), in which he should enter all his remittances to the treasury as they are made—vide paragraphs 148 and 149. This book should accompany the cash.

1. Remittances made to the Bank of cheques paid in as Public Works receipt should be entered in the Remittance Book, but in the place for the treasury receipt should be entered " By Bank cheques " and even then the book should accompany the cheque, so that the treasury may give a preliminary acknowledgment for the receipt of the cheque in the book. The final receipt will be given by the treasury after the cheque is cleared, on the " original chalan."

NOTE.—All payments of miscellaneous receipts made by Public Works officers into civil treasuries, whether acknowledged or not by the treasury officer in the same month, should be debited to the civil department as payments into treasuries. Differences, if any, between the amount debited and that acknowledged by the treasury officer should on no account be charged to a suspense head pending adjustment.

F.—CASH ACCOUNTS.

I.—Cash Book.

(*a*) UPKEEP.

161. An account of their cash transactions should be maintained in the Cash Book, Form 1 (P.W.D. VI-3), by all Government servants authorized as a regular arrangement, to receive money on behalf of Government as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on the treasury. Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in Imprest Cash Account, Form 2 (P.W.D VI-2).

162. The cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on Form 1 (P.W.D. VI-3) and disbursing officers are required to observe them strictly in practice.

(*b*) BALANCING.

163. The cash book must be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or even a daily balance is recommended, and it is advisable to count the cash whenever a balance is struck, or at convenient intervals, as this affords an independent check on the accuracy of the postings. The results of such intermediate counting should be recorded in the form of a note in the body of the cash book (column 8), so as not to interfere with the up-to-date totals ; the actual balance of cash in the chest should invariably be stated in the note both in words and figures, and the outstanding balances of imprests and temporary advances should be taken into consideration when certifying the accuracy of the cash chest balance.

(*c*) RECTIFICATION OF ERRORS.

164. An erasure of an entry once made in the cash book is strictly prohibted. If a mistake has been made and it is discovered before the copy of the cash book has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the mistake is discovered too late for correction in this way an intimation of the necessary correction should at once be sent to the divisional office, accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of an entry once made in his cash book should be made by a Subdivisional Officer, unless authorized by the divisional office to do so.

1. The same principles should be observed in correcting errors noticed in the divisional cash book. If the accounts of the month have been closed no corrections of errors in amount, classification, or name of work, should be made in that book. A suitable remark in red ink (quoting reference to the correction in accounts) should, however, be recorded against the original erroneous entry.

(*d*) VERIFICATION.

165. The disbursing officer is required to check all the entries in his cash book as soon as possible after the date of their occurrence, and he should initial the book, dating his initials after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all the entries of the month inclusive of the closing balance.

1. The following is the memorandum of some of the more important parts of the verification :—

The disbursing officer should—

(1) compare each entry of payment with the gross amount chargeable as shown in the connected voucher, seeing, at the same time, that it bears (i) a payment order recorded by

himself or the Divisional Officer, and (ii) the certificate of disbursement signed by himself or an authorized subordinate, and ticking off each voucher as it is passed;

(2) see, whilst examining the postings of vouchers on the payment side, that all deductions shown in the vouchers (other than deductions creditable to the head of account or work to which the payment relates) are posted as receipts on the receipt side of the cash book;

(3) verify the totalling of the cash book or have this done by some principal subordinate (other than the writer of the cash book) who should initial (and date) it as correct; and

(4) verify the total of the postings in the "Bank or Treasury" column on the payment side by reference to the memoranda recorded by himself on reverse of the counterfoils of cheques.

166. The actual balance of cash in each chest should be counted on the last working day of each month (i.e., immediately after closing the cash account of the month under paragraph 163), but where this is not possible, the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in Form 5 (P.W.D. VI-1), and a certificate of the count of cash, specifying both in words and figures the actual cash balance (exclusive of imprests an temporary advances), should be recorded below the closing entries in the previou month's cash book. This certificate should be signed by the disbursing officer who should invariably date his signature.

1. Should it not be possible for the disbursing officer, owing to his absence, to make the count on the dates prescribed in this paragraph, he should do so at the earliest opportunity, recording the reason for the delay on the Cash Balance Report.

167. Whenever, on the contents of the cash chest being counted, the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 164, be rectified forthwith by making the necessary receipt or payment entry—"To cash found surplus in chest"—under Deposits, or "By cash found deficient in chest" under Miscellaneous Public Works Advances, as the case may be. The administrative action to be taken on the occurrence of a deficiency must depend on the nature of each case.

NOTE.—Actual losses of cash by theft or otherwise, and irrecoverable personal advances in cases where the persons to whom the advances were made are no longer in the service of Government are to be charged to Establishment, sub-head Contingencies.

II.—Imprest Account.

168. An imprest is a standing advance of a fixed sum of money given to an individual to enable him to make certain classes of disbursements which may be entrusted to his charge by the Divisional Officer. The amount of an imprest should not, however, exceed one thousand rupees, in any case, without the special sanction of Government.

169. The Imprest Cash Account, Form 2 (P.W.D. VI-2), is printed so as to facilitate copies being taken by carbon process. The fast sheet should be retained by the imprest-holder and the detachable sheet, supported by the necessary vouchers, should be forwarded to the officer from whom the imprest is held whenever the imprest-holder finds it necessary to have the account recouped, or it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be rendered so as to reach the officer from whom the imprest is held, in time to enable him to incorporate the account in his cash book before it is closed for the month on the date fixed for the purpose.

170. The recouping officer should examine the imprest cash account and the supporting vouchers, initial and date the vouchers in token of approval, and by a formal pay order (vide paragraph 155) recorded on the account, authorize the recoupment, enhancement, reduction or closing of the imprest, as the case may be. The account should then be abstracted and incorporated in the cash book in the manner prescribed in notes on Forms 1 and 2 (P.W.D. VI-3 and 2).

1. A subdivisional officer can authorize *temporary* reduction and recoupment of the imprests held by the subordinates in his subdivision, but the enhancement, *permanent* reduction or closing of the accounts must be sanctioned by the divisional officer.

2. Should any item in an imprest account appear to the recouping officer to be open to objection, the imprest should nevertheless be recouped in full, and the item under objection should be classified under the head "Miscellaneous P.W. Advances" for watch under that account until either the objection is removed or the amount is made good by the imprest-holder.

NOTE.—The limit of payment of petty bills by imprest-holders on their own responsibility is fixed at Rs. 25—vide also rule 6 to paragraph 306.

171. The imprest-holder is responsible for the safe custody of imprest money and he must at all times be ready to produce the total amount of the imprest in vouchers or in cash.

III.—Temporary Advance Account.

172. When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a temporary advance and accounted for in the same way as an imprest. The account of a temporary advance should be closed as soon as possible.

1. This rule applies also to cash taken out of the chest by the disbursing officer himself or making payments at a distance.

2. Subdivisional officers may authorize payment of passed nominal muster rolls up to a limit of Rs. 25 by section officers from their permanent imprest.

3. The General Superintendent, Public Works Workshops, Madras, may grant temporary advances on other than passed vouchers to officers of the rank of Supervisors and Foremen in the Public Works Workshops, Madras, in the following cases :—

(i) To meet incidental charges required for vehicles, such as renewal of tubes or patching, greasing, etc., in transporting and railing machinery from one place to another,

(ii) to make cash deposits for the registration of wagons as required under the Railway Rules in force, and

(iii) to make cash payments towards the cost of the purchase of iron and steel materials in cases in which permits are issued by the Director of Controlled Commodities or registered stock holders who refuse to allow the materials to be taken out of their premises without immediate cash payment.

4. The driver of a vehicle in the Public Works Workshops, Madras, may be entrusted with a temporary advance up to a maximum limit of Rs. 50 (Rupees fifty only) for the purchase of petrol and for incurring any other incidental expenditure en route in cases when the vehicles have to be sent to distant places with Government articles to meet urgent needs.

G.—CHEQUE BOOKS AND RECEIPT BOOKS.

173. Cheque books required by officers of the Public Works Department will be obtained by the Accountant-General, by indents on the Manager, Government of India Press, Calcutta, and supplied to them, free of charge, through the medium of Head Treasury Officers. Divisional Officers should intimate to the Accountant-General their annual requirements of cheque books by 1st March of each year. The number of each kind (Treasury and Bank) of cheque books and in the case of the former, the name of the District Treasury should also be given in the indent. The Subdivisional Officers in each division should obtain the cheque books required by them only from their Divisional Officers. Receipt books, Form 3 (P.W.D. VI-17) should be obtained by them from the Superintendent of Stationery, Madras.

174. Every cheque book or receipt book should be carefully examined by the divisional or the subdivisional officer concerned immediately on receipt. The officer should, then, count the number of forms in each book and record a certificate of count on the fly-leaf. In the case of books issued to the Subdivisional Officers by the Divisional Officer, the certificate of the latter on the fly-leaf will not dispense with the examination of the books on their receipt by the former. The Subdivisional Officer should make a fresh count in such cases and record a certificate of count again on the fly-leaf as soon as the books come into his hands.

175. Counterfoils of used cheque books should be returned promptly to the divisional office for record, but those of completed receipt books should be sent back to the Subdivisional Officer, after their check in the divisional office—vide paragraph 586 (c). The Subdivisional Officer should keep them in some safe or box the key of which remains in his personal custody.

CHAPTER VII.—STORES.

A.—INTRODUCTORY.

176. The rules in this chapter are *not wholly* applicable to the Public Works Stores Division, Madras, as regards the details of accounts. All rules of general principle, however, in this chapter, and also in Chapter XII of this Code and those in the Stores Manual, should be held to be applicable to the Public Works Stores Division, Madras, until they are revised and embodied as an Appendix to this Code.

177. The general administration of all the stores of a division is vested in the Divisional Officer, on whom primarily devolves the duty of arranging, in accordance with the rules, for (1) the acquisition of stores, (2) their custody and distribution according to the requirements of works, and (3) their disposal.

178. Government servants entrusted by the Divisional Officer with the care, use or consumption of stores, are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

179. All transactions of receipts and issue should be recorded, strictly in accordance with the rules, in the order of occurrence and as soon as they take place. Fictitious stock adjustments are strictly prohibited, such, for example, as (1) the debiting to work of the cost of materials not required, or in excesss of actual requirements, (2) the debiting to a particular work for which funds are available of the value of materials intended to be utilized on another work for which no funds are available, (3) the writing back of the value of materials used on a work to avoid excess outlay over appropriation, etc. Any breach of this rule constitutes a serious irregularity, which will be brought prominently to the notice of Government by the Accountant-General.

180. (*a*) The accounts of the stores are based on the fundamental principle that the cost of their acquisition should be debited to the final head of account concerned or the particular work for which they are required, if either of these can be determined at once; otherwise, it should be kept in a suspense account pending clearance, as the materials are actually issued, by charge to specific heads of account or works.

(*b*) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division, is debited at once to the minor head "Tools and Plant," subordinate to the major head under which such charges of the division are classified; and special items of tools and plant which are required not for general purposes but for a specific work, are charged off to that work—*See* also paragraphs 1 and 4 of Appendix 7.

Exception.—Tools and plant except tents, held in the Public Works Stores Division, Madras, are held as part of "Stock" and are accounted for as such as they are intended for issue to other divisions and departments. The tools and plant and spare parts thereof kept in the stores of the Krishna Central and Godavari Headworks Divisions for issue to other divisions and departments may also be accounted for as "Stock." When so transferred, the division receiving them will deal with them as in the rules in paragraph 221 *et seq.*

(*c*) Similarly, all road-metal required for the maintenance of a road or section of a road, is charged at once to the minor head "Repairs" (Communications) under the major head concerned, against the estimate sanctioned for the collection of it. and when road-metal is acquired specially for use in the construction of a road or other work, its cost is debited to the estimate for such construction.

(*d*) In the case of other materials, when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head "Stock", vide paragraph 324 of the Madras Public Works Department Code Materials purchased specially for a work are, however, charged to that work.

181. The four classes of stores enumerated in paragraph 334 of the Madras Public Works Department Code, thus fall into two distinct categories as shown below :—

(1) Stores charged to suspense—

(i) Stock.

(2) Stores finally charged off—

(ii) Tools and plant (except those in Public Works Stores, Madras).

(iii) Road-metal.

(iv) Materials charged to works.

182. A numerical or quantity account of receipts, issues and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity account has further to be reconciled periodically with the value accounts except in the case of tools and plant and road-metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of subdivisions, should take account of quantities only, and that the value accounts should be maintained in the divisional office.

B.—STOCK.

I.—General.

183. The stock of a division is sometimes kept in a single godown or yard in the charge of a store-keeper or other officer, or each Subdivisional Officer may have a separate stock in his charge either at his headquarters or scattered over the subdivision in the direct custody of subordinates or other sectional officer. Again, the stock, although scattered over the entire division, may be in the general charge of a single official and the Subdivisional Officers may merely indent upon him, he keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

184. Stock accounts may be maintained in a subdivisional office, even though the officer in charge is not authorized to keep a cash account in Form 1 (P.W.D. VI-3). A separate account should be kept in the divisional office of any stok which is directly under the charge of the Divisional Officer or of an officer under his orders and not under the orders of a Subdivisional Officer.

II.—Quantity Accounts.

(a) Receipts.

185. Materials may be received on stock from the following sources :—

(a) Suppliers,

(b) Stores Department, London,

(c) Other subdivisions, divisions or departments (including Government workshops),

(d) Manufacfure, and

(e) Works, buildings, etc.

In all cases, there should be proper authority for the receipts, by the store-keeper of the sectional officer concerned, of materials to be brought on stock. This authority should be given in writing by the Divisional Officer or, if so authorized under the Divisional Officer's orders, by the Subdivisional Officer.

186. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. The record of the detailed count or measurement should be kept in the Measurement Book in the manner prescribed in paragraphs 293 and 294, and the total number or quantity received should be simultaneously entered in the Register of Stock Receipts, Form 8 (P.W.D. VI-4). Such acknowledgment as may have to be given to a supplier for stores received from him can be signed only by the Divisional or the Subdivisional Officer. Any certificate that the store-keeper or sectional officer concerned may be called upon to record in respect of the receipt of stores, for this or any other purpose (vide paragraph 196) should be in the following form :—

"Received on.....................and duly recorded in the Register of Stock receipts. *See* also page........of Measurement Book No....... "

Date................ (Signature)

In the case of the P.W. Stores Division, Madras, the record of detailed count or measurement is made in a Register in P.W.D. Form I-32 "Stores Receipt Book." A daily report of receipts—one for each sub-section of stores—should also be simultaneously prepared in Form P.W.D. IV-125, from which the quantity and value ledgers are subsequently posted.

(*b*) ISSUES.

187. Materials may be issued from stock for the following purposes :—

(*a*) For use on works either by issue to contractors or direct (paragraph 321).

(*b*) for despatch to other subdivisions, divisions or departments,

(*c*) for sale to contractors, employees, other persons or local bodies—vide paragraphs 423 (*b*) and 432 (*c*) (ii) of the Madras Public Works Department Code.

They should be issued only on receipt of an indent, Form 7 (P.W.D. VI-11) signed by the Divisional or the Subdivisional Officer. But when a sectional officer has to issue stock materials for the requirements of works under himself, the use of this form is not obligatory, if the sectional officer has been authorized under the Divisional Officer's orders to draw such materials from his stock up to any assigned limit not exceeding the provision made for materials in sanctioned estimates.

1. When examining Registers of Stock Issues and Works Abstracts, Subdivisional Officers should see that in practice this rule is observed strictly, and they should deal suitably with instances of unauthorized and excessive issues to works made by sectional officers without due cause.

2. The term "Works" includes manufacture operations—vide note 1 under paragraph 192.

188. Indents should be filled up carefully as all subsequent accounting depends upon it. In the column "Head of Account, etc.," besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and offices to which stock is to be issued and of contractors, employees, other persons or local bodies to whom it is authorized to be sold, should be added in all cases in which stores are ordered to be issued otherwise than for the requirements of works within the division. The last column, headed "Name of Work, etc.", should be filled in only when the stores are required for works within the division, and in such cases the full name of the work as given in the estimate, should be entered, as well as the name of the contractor from whom the value is recoverable (vide paragraph 321).

189. When issuing materials from stock, the store-keeper or sectional officer should examine the Indent, Form 7 (P.W.D. VI-11) and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by his dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply as actually made, and simultaneously

make an entry in his Register of Stock Issues, Form 8 (P.W.D. VI-4). The indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained, as soon as possible, on the invoice which should be treated as a voucher in support of the entry in the register.

1. It should be seen that the acknowledgment of materials is signed either by the person to whom they are ordered to be delivered or despatched, or by a duly authorized agent. This precaution is specially necessary in the case of issues to contractors and private persons whose acknowledgments should set forth all the particulars mentioned in paragraph 329.

2. Rule 1 applies also to issues made to contractors by the sectional officer himself without the production of an indent signed by higher authority (vide paragraph 187).

190. When making entries in the Register of Stock, Issues the store-keeper or sectional officer should pay particular attention to record in the columns headed "To whom issued" and "Head of Account, etc.", the full particulars as given in the last two columns of the Indent or as otherwise known to him.

1. If the materials are issued for use on a work, the particulars required to be entered in the column "Name of Work, etc." of Form 7 (P.W.D. VI-11), vide paragraph 188, should invariably be given in the column "To whom issued."

(c) Monthly Abstracts of Receipts and Issues.

191. The receipt and issue transactions of the entire subdivision should be abstracted monthly in a single "Abstract of Stock Receipts", Form 9 (P.W D. VI-5) and in a single "Abstract of Stock Issues", Form 10 (P.W.D. VI-6). These forms should be posted in the subdivisional office, from the Registers of Stock Receipts and Stock Issues, Form 8 (P.W.D. VI-4), entries being made only in respect of quantities.

1. The several transactions of the month need not be entered severally in the Abstract, it being sufficient to show, as a single transaction, the total receipt from each source or the total issues to each account of work. The quantities received (or issued) in each transaction should be noted in the lower part of the Abstract, against the entry of transaction, in separate columns for each distinct article of Stock, these columns being so written up as to group the articles by the prescribed heads of Stock. After all transactions of the month have been posted, the total receipts (or issues) of each article should be computed and noted in the column headed "Quantities" in the upper part of the form. No entries need be made in the subdivisional office in any of the money columns in either part of the form, as these will be filled up in the divisional office, vide paragraph 202.

Note.—The Bezwada and Dowlaishwaram subdivisions may, however, continue to maintain value accounts of their stock in view of their heavy transactions.

2. In posting column 1 of the Abstracts, those receipts and issues of the month, which represent transactions the value of which is brought to account in the same month through the cash book or transfer entries, should be separated from transactions not so brought to account within the month. See paragraph 566.

3. It is left to the Subdivisional Officer to make the most suitable arrangements for collecting the information required to complete these Abstracts. The Registers of Stock Receipts and Stock Issues of subordinates stationed at the subdivisional headquarters may be obtained in original, and store-keepers and sectional officers at out-stations may be required to furnish copies of their Registers. Care should be taken to reconcile all transfers of stock between subordinates of the same subdivision, and reconciled transactions connected with such transfers within the subdivision should not appear in the Abstracts of the subdivision.

4. The Registers of Stock Receipts and Stock Issues maintained by sectional officers may, if necessary, be closed a little earlier than the date fixed for the closing of the subdivisional accounts. See Rule 1 to paragraph 531.

192. When abstracting the transactions recorded in the Registers of Stock Receipts and Stock Issues, care should be taken to observe strictly the prescribed accounts classification—vide Appendix 4. It is not sufficient to enter the name of the major head affected, but the minor and detailed heads should also be stated, as well as the additional particulars mentioned in paragraph 190.

Note.—Although "manufacture" is a sub-head of the Stock account, issues of stock to manufacture operations and receipts of outturn from nanufacture, should be accounted for in the same way as issues to or from any other distinct head of account, and each manufacture operation should be treated as a separate work. See also paragraph 69.

193. The quantity accounts of a particular month show all quantities received or issued in that month; but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreement between the quantity and value accounts, receipts and issues, the value of which cannot be adjusted in the accounts of the month in which the actual transactions take place, should be accounted for in the Abstracts under the suspense heads "purchases" and "Miscellaneous Public Works Advances" respectively. See also Rule 2 to paragraph 191.

(*d*) HALF-YEARLY BALANCE RETURN.

194. (*a*) The total quantities of the receipts and issues of each article of stock, as recorded in the Monthly Abstracts, Forms 9 and 10 (P.W.D. VI-5 and 6) should, before the Abstracts are transmitted to the divisional office (vide paragraph 534), be posted in the Half-yearly Balance Return, Form 11 (P.W.D. VI-8) in the columns provided for the month concerned both under "Receipts" and "Issues." As soon as the receipts and issues of the last month of the half-year are posted, the closing balances should be worked out and entered both in column 21, "Closing balance carried forward," of the return for that half-year and in column 6, "Balance brought forward," of the return for the next half-year.

(*b*) A separate return in this form should be prepared for each of the half-years ending September and March, that for the September half-year embracing only transactions up to the date on which the monthly accounts of the subdivision are closed. The return for each half-year should embrace all articles in stock.

(*c*) Columns 22 and 23 of the form of the return are provided so as to give the Subdivisional and the Divisional Officers an opportunity of commenting on the condition of the stores or on the rates, and of noticing cases in which the balances are in excess of requirements.

(*e*) CORRECTIONS.

195. (*a*) Any errors that may be discovered in the Registers of Receipts and Issues or in the Monthly Abstracts, before the accounts for the month are closed, may be set right by the Subdivisional Officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials.

1. Store-keepers and sectional officers may similarly correct their respective Registers of Receipts and Issues before submitting them to the subdivisional office.

(*b*) Mistakes subsequently noticed should not be corrected except in accordance with a formal transfer entry, or under instructions received from the divisional office.

(*c*) Erroneous entries noticed in a Half-yearly Balance Return, which has not yet been submitted to the divisional office, may be corrected by the Subdivisional Officer, only if the corresponding entries in the Monthly Abstracts concerned, or in the previous Half-yearly Return, are correct or have been duly set right.

III.—Value Accounts.

(*a*) PAYMENT FOR STOCK RECEIVED.

196. Bills of supplies should, before payment, be examined and dealt with in the manner prescribed in paragraphs 288 and 298—312.

NOTE.—Special attention is invited to the rule in paragraph 309 the object of which is to prevent erroneous or double claims being put forward successfully. Store-keepers and sectional officers may, if desired, be required to verify suppliers' bills before payment (vide paragraph 186), but the disbursing officer is responsible that no payment is made unless the precautions referred to above have been observed.

197. Cash payment should not be made for stock received from other sources except in accordance with the rules in Appendix 5 to the M.F. & A.C., Volume II. When under those rules payment for supplies made by any department is made in cash, the claims of such department should be dealt with in the same way as those of suppliers. In other cases, the necessary adjustment of the cost, through the remittance or other head concerned should be made by the divisional office in accordance with the instructions in Chapters VIII and XVI, after obtaining a verification of the claim, which should not be certified without crossing off the connected measurement book entries with a suitable remarks—vide also paragraph 186.

(b) Recoveries for Stock issued.

(i) *Issue Rates.*

198. An Issue Rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials are to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide beyond the original price paid, for carriage and other incidental charges, if any, actually incurred on the acquisition of stores.

1. It is not necessary that the Issue Rate for an item should be the same in all subdivisions, but a uniform rate should ordinarily be prescribed for all localities in a subdivision.

2. The Issue Rates should be worked out to the nearest anna, as far as possible.

3. In the case of the plant and machinery of the Public Works Stores Division, Madras, which are borne under "stock" (vide "exception" to paragraph 180 of this Code), the original book value shall include the original price fixed and the cost of carriage to the Stores. This book value shall be depreciated annually by the percentage fixed for "depreciation" in rule (7) of the rules in paragraph 330, Madras Public Works Department Code.

An estimate for working expenses of plant and machinery in the Stores Division shall be sanctioned by the Superintending Engineer, Madras Circle, every year under the sub-head "Stock" and the depreciation charges referred to in the first sub-paragraph shall be debited thereto by credit to "Stock." The handling charges as well as all repair and renewal charges which are not recovered from the party hiring the plant shall also be debited to the estimate. The handling charges realized from the hirers of plant and machinery and the portion of the hiring charges [realized under rule (7) of the rules in paragraph 340, Madras Public Works Department Code] comprising the percentages for repairs and renewals and depreciation shall be credited to the estimate and the net figures shall, at the end of the year, be transferred to "50. Civil Works —Civil Works—Losses on stock" or to the receipt head "XXXIX. Civil Works—Miscellaneous" according as the net result is a loss or a profit. The portion of the hiring charges realized representing "interest" shall be credited direct to the head "XXXIX. Civil Works—Miscellaneous."

199. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched, and if these are appreciable, Issue Rates may, and in important cases shall, at once, be raised or lowered, as may be necessary. Further, when closing the Half-yearly Register of Stock (paragraph 208), all rates must be reviewed and revised, if necessary, to bring them within the market rates.

Notes.—In the Godavari Headworks Division, the stock issue rates may be revised *once a year*, in the case of items under which there have been no receipts during the year.

200. If the Issue Rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issues outside the division which the Divisional Officer may prescribe :—

(*a*) Issues to contractors in pursuance of paragraphs 327 and 328 of the Code should be restricted to the *bona fide* requirements of the works. Excess issues to contractors and sales should be charged at the market rates.

(*b*) Issues to other divisions and departments may be made at a rate higher than the Issue Rate.

(i-*a*) *Storage Charges.*

200-A. A storage rate is fixed annually for the Public Works Stores, Madras, and the Stores attached to the Kistna Central and Godavari Headworks Divisions on the basis of the actual storage charges (see paragraph 58-A) incurred in the year preceding the year which is previous to the year in question. This rule may, with the sanction of the local Government, be extended to any other Stores in which appreciable storage charges are incurred.

(ii) *Mode of Recovery.*

201. (*a*) The Subdivisional Officer is responsible that the value of materials sold to municipalities, local funds and the public and of issues made to contractors for private use, is recovered in cash at the earliest opportunity.

1. A sale account in Form 19 (P.W.D. VI-34) should be prepared in support of every such sale.

(*b*) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts, vide paragraph 197. The Subdivisional Officer is, however, responsible for the clearance, from works accounts, of all outstandings against contractors on account of the recoverable value of materials issued to them by charge to works.

(*c*) The 10 per cent supervision charge should be realized in addition to the value of stock in all cases in which it is recoverable under paragraph 331 (*a*) of the Madras Public Works Department Code, but the amounts recovered on this account should not be treated as receipts on account of stock, but as revenue receipts, or receipts on capital account, as the case may be.

NOTE.—The 10 per cent charges referred to in clause (*c*) above should not be levied on stock material issued to the works mentioned in items (*a*), (*b*), (*c*) and (*d*) of rule 5 of Appendix 7 to this Code, as centage charges are leviable separately on them.

(*c*) VALUATION OF QUANTITY ACCOUNTS.

202. When received in the divisional office, the Abstracts of Receipt and issues will be incomplete in respect of (1) the values of quantities shown as received and issued, (2) the calculation of the storage charges on the issues and (3) cash or adjustment charges on account of manufacture operations, storage and incidental charges such as those for carriage, loading, storage, and unloading of stock materials. They should now be completed in all these respects. (*See* note under rule 1 to paragraph 191.)

1. The lower part of each Abstract should first be taken up. In this part, quantities of the several articles received or issued in connexion with each transaction have already been entered separately in the columns provided for this purpose—vide Rule 1 to paragraph 191. These quantities should now be valued by recording the amount of each just below it, and the total value of each transaction should be shown in the first money column [third column of Form 9 P.W.D. VI-5) or sub-column 1 of the second column of Form 10 (P.W.D. VI-6), as the case may be]. "In Form 10 (P.W.D. VI-6), storage charges should be calculated on the book value entered in sub-column 1 and shown in sub-column 2 and a total of these should be entered in the last sub-column of the second column against each transaction." Total should then be struck in the next money column, "Total", separately for each head of account. The upper part of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column headed "Amount (separately for each article)" against that article, it being seen further, in the case of issues, that this total is equal to the rate for the article multiplied by the total quantity. Finally, entries in the last money column should be totalled up, both for each sub-head of Stock and for the whole Abstract. "In Form 10, the total of the sub-column 2 of the second column in the lower part should be shown against the line 'Total—Storage' in the upper part and Grand total struck in that part." The grand total should agree with the total of the second money column "Total" in the lower part of the form. The cash and transfer entry debits and credits to stock (vide Rule 2 paragraph 191) should be agreed with the transactions pertaining to Stock brought to account in the cash book and the transfer entry book, vide paragraph 566.

2. Receipts should be valued on the basis of the prices paid or payable as per bills or other claims. Extra charges, when paid or adjusted, should be posted as separate items without quantities.

3. Issues should be valued at the Issue Rates fixed for the purpose—vide paragraphs 198 to 200.

4. All entries made in the Divisional Office should be in red ink to distinguish them from those made in the subdivisional office.

203. Carriage and other incidental charges should be debited to stock only when they are incurred in connexion with the general stock requirements. These charges should be adjusted against the particular sub-head under which the item is classified or the sub-head "Storage" of the stock account according as the charges gave been incurred before or after the acquisition and delivery of the stores at the godown. *See* also paragraph 389.

204. To classify and collect, by objects of expenditure, the charges debited to Stock from time to time, the same procedure should be observed as is adopted in respect of expenditure on works, that is, works abstracts and registers of works should be maintained. *See* also paragraph 560.

IV.—Half-yearly Register of Stock.

205. An account should be maintained in the divisional office to record, month by month, separately for each subdivision, the transactions relating to each item of stock. This account should be in Form 12 (P.W.D. VI-42), Half-yearly Register of Stock, which is in three parts :—

Part I.—The Register.
Part II.—The Summary.
Part III.—The Review.

206. Part I should, as regards quantities, be posted monthly from the subdivisional abstracts Forms 9 and 10 (P.W.D. VI-5 and 6) and balanced half-yearly, in the same manner as the subdivisional half-yearly balance returns ; *see* paragraph 194. The only values to be posted should ordinarily be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts ; but, if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to values being recorded in red ink, immediately below the respective quantities.

1. The Register should be laid before the Divisional Officer within a week after the submission of the Monthly Account to the Accountant-General.

207. At the end of the half-year, the closing balances of quantities should be reconciled with those shown in the Half-yearly Balance Returns received from Subdivisional Officers—vide paragraph 535. The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II—vide paragraph 209.

208. The Register should then be closed, the following instructions being observed in respect of money columns 20 to 24 ;—

(*a*) *Market Rates* (column 24).—This column should be filled up, in respect of each item, under the orders of the Divisional Officer, by a person other than a ministerial subordinate. It should be written up at or about the close of the half-year, but before any entries are made in the column for Future Issue Rates.

(*b*) *Current Issue Rates* (column 20).—This column will have been filled up at the commencement of the half-year in respect of items brought forward from the previous half-year, and subsequently, from time to time, in respect of new items and items the rates of which are revised during the half-year.

(*c*) *Value at Current Issue Rates* (column 21).—This column should be written up at the close of the half-year and should represent the value of the closing balance at the Issue Rates current during the last month of the half-year.

(*d*) *Future Issue Rates* (column 22).—This column should show the rate for issues during the following half-year which should be fixed, separatly for each item, in accordance with the principles laid down in paragraph 198 but should in no case be in excess of the market rate. When opening the Register for the following half-year, the rates as shown in this column should be transcribed into the column for Current Issue Rates of that Register.

(*e*) *Value at Future Issue Rates* (column 23).—This column should show against each item the value of the closing balance at the Future Issue Rate. The entries in this column should be totalled by sub-heads of stock for each subdivision, and to or from this total should be added or deducted, as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for known reasons (to be recorded). If the resultant figure does not agree with the corresponding book balance as brought out in column 19 (vide paragraph 207), an adjusting entry (*plus* or *minus* representing respectively the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

209. Part II, Summary, is intended to serve two purposes :—(1) To prove the value balances brought out in column 19 of Part I (vide paragraph 207), and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision of rates, and (2) to abstract the value balances, so as to bring out, by sub-heads of stock, for the entire division, the aggregate value at Current Issue Rates side by side with the balances as shown in the accounts.

210. When Part II is completed, the Divisional Accountant should write up his report in Part III and submit it to the Divisional Officer, who will then review the Register of Stock and record his remarks and orders in Part III.

1. This review should be directed to see specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers, and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past and to the prevailing market conditions. The object to secure is that the stock on the register shall consist only of efficient and necessary articles priced within the rates at which they could be purchassd at the time.

211. Annual instead of half-yearly stock registers may be submitted by the Executive Engineers, Krishna Western, Godavari Head works and Visakhapatnam Divisions, and reviewed once in a year in the Audit office. It is open to Government, in consultation with the Accountant-General, to prescribe the maintenance of yearly registers of stock in respect of other divisions also and to permit that they may be closed and reviewed annually—vide paragraph 577. Important revisions of Issue Rates, which may be necessitated by fluctuations of cost, should, however, be made at once and not deferred till the close of the year—vide paragraph 199.

V.—Ledger.

212. The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable from, in cases, e.g., those of electrical stores, where the number of articles handled is large and frequency of transactions renders it desirable to maintain, in respect of each article, a day-to-day record of the quantities received and issued, persenting the resultant balance after each transaction. Where this system is adopted, the following instructions should be observed :—

(*a*) The card or leaf ledgers should be written up in respect of quantities only but, if values are entered therein for any purpose they will not be recognized for purposes of accounts.

(b) They should not replace the Register of Stock, Form 12 (P.W.D. VI-42), but should, on the other hand, be reconciled therewith at convenient intervals.

(c) If the maintenance of the Registers of Stock Receipts and Stock Issues, Form 8 (P.W.D. VI-4), is considered unnecessary, they may be dispensed with, provided that suitable arrangements are made for the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (P.W.D. VI-5 and 6), to be written up, as transactions take place, either by a responsible official or on the authority of written reports signed by such an official, and supported by necessary vouchers.

(d) The ledger, if necessary, may be kept in a convenient position in the store godown, but they should be kept locked, the keys being at the custody of the person responsible for making entries therein.

VI.—Stock-taking.

213. The results of all verifications of stock (vide paragraph 325 of the Madras Public Works Department Code) should be reported to the Divisional Officer for orders, but as soon as a discrepancy is noticed, the book balance must be set right by the verifying officer, treating a surplus as a Receipt and a deficit as an Issue, with a suitable remark.

214. (a) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be.

(b) The value of a deficit should, however, not be charged off finally, but kept under "Miscellaneous Public Works Advances" pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its write-off ordered, a transfer entry should be prepared clearing the head "Miscellaneous Public Works Advances" by debit to—

(i) the works for which the stores were specially collected, if the accounts thereof are still open, or

(ii) the general head "Losses on Stock" under one or more major heads, as may be decided by competent authority, on a consideration of the objects for which the stores were stocked.

215. The rule in paragraph 325 of the Madras Public Works Department Code suggests that the stock-taking of a subdivision may go on gradually throughout the year. The stocks of an article in a subdivision may, however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate book balance of any article for the subdivision, by an actual verification of all the stocks of it at the same time. Where such conditions prevail, the following expedients are recommended for adoption under the orders of Government :—

(a) Sectional officers may be required to maintain quantity accounts of receipts, issues and balances (in a form similar to the Healf-yearly Balance Return) of stock materials in their charge. These accounts should be posted monthly, from the Registers of Stock Receipts and Stock Issues before the latter are submitted to the Subdivisional Officer.

(b) These accounts should be submitted to the Subdivisional office at the close of each half-year for record after reconciliation with Half-yearly Balance Return of the subdivision.

(c) As far as possible, the various stocks, in charge of a sectoinal officer, of each article, should be verified at or about the same time, so that the difference between the sectional book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in paragraph 213 without waiting for the results of verification of stocks in other sections.

1. Before the adjustment of a difference is accepted finally by the Subdivisional Officer, he should test the correctness of the sectional officer's book balance by reference to the records of his own office.

216. The procedure of verification outlined in the foregoing paragraphs is suitable primarily for divisions executing ordinary works. In the cases of special stores depots or divisions or of construction divisions where there may be large concentration of stores, their physical verification should be the duty of the executive authorities, and should be performed by such agency and in such detail as may be decided by the Local Government in consultation with the Audit Officer.

NOTES.—The Public Works Stores at Madras, Bezwada, Dowlaishwaram and Mettur are verified by stock-verifiers working under the control of the Accountant-General, Madras, and this arrangement has been agreed to as a special case by the Controller of Civil Accounts.

VII.—Rectification of Accounts.

217. Clerical errors in value accounts of stock should be dealt with generally under paragraph 164; *see* also paragraph 195. Corrections of errors discovered after closing the accounts of the month, should, when permissible, be made (i) by making entries of values (without quantities) in the Stock accounts of the current month when no change is to be made in the head of account affected. and (ii) by preparing transfer entries in other cases.

218. Other corrections in Stock accounts may be necessary in the following cases :—

(i) When quantities are found surplus or short, either as the results of stock-taking, or otherwise, vide paragraphs 325, 329 and 330 of the Madras Public Works Department Code.

(ii) When Issue Rates have to be raised or lowered, vide paragraph 199.

(iii) When stores of any description become unserviceable (vide paragraph 333 of the Madras Public Works Department Code) and have, therefore, to be removed from stock.

219. These corrections should be effected in the following manner :—

(*a*) Both in quantity and value accounts, all additions to quantities should be treated as Receipts, and reductions therein as Issues, a suitable remark being made in the entries in Forms 8, 9 and 10 (P.W.D. VI-4, 5 and 6); *see* also paragraphs 213 and 214. These entries must be made as soon as difference in quantities come to notice, but in the case of materials to be declared unserviceable, no adjustment should be made until receipt of orders of competent authority, which should be obtained on a Survey Report in Form 18 (P.W.D. VI-45).

(*b*) Alterations in rates made when closing the Register of Stock should be carried out as indicated in paragraph 208 (*d*). Those made on other occasions should be noted at once in Part I of the Register of Stock by making a fresh entry (with the month of change) in column 20. The resultant rectification of the value of the stock balances should in all cases be made only when the Register of Stock is closed, vide paragraph 208 (*e*). The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the Abstracts of Receipts and Issues, Forms 9 and 10 (P.W.D. VI-5 and 6), as the case may be, the values being classified in accordance with the principle enunciated in paragraph 214.

220. No correction will be made in the accounts in respect of stores declared to be in excess of requirements, vide paragraph 326 of the Madras Public Works Department Code. Such stores will continue to be borne on the Stock Account until transferred elsewhere or otherwise disposed of in the ordinary course.

C.—TOOLS AND PLANT.

I.—General.

221. The tools and plant of a division are of two kinds :

(*a*) General or ordinary tools and plant, i.e., those required for the general use of the division.

(*b*) Special tools and plant, i.e., those required not for general purpose, but for a specific work.

The cost of the supply, repairs and carriage of articles of class (*a*) is charged to the minor head "Tools and Plant", whereas similar charges of class (*b*) are borne by the work concerned. In both cases, estimates for the purchase of the tools and plant should be prepared and sanctioned and the expenditure incurred against sanctioned estimates, in the same way as expenditure on works; for powers of sanction, see paragraphs 415, 416, 423 and 432 of the Madras Public Works Department Code.

NOTE.—See exception under paragraph 180 and rule 3 below paragraph 198 of this Code with regard to tools and plant in the Stores Division, Madras.

222. Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each subdivision and one in the divisional office for tools and plant directly under the Divisional Officer.

1. The rules relating to numerical accounts of tools and plant apply also to imperishable articles, e.g., typewriters, furniture of rest-houses, surgical instruments and hospital furniture of canal dispensaries, etc., whether acquired by charge to heads of account other than "Tools and Plant" or received free of cost.

NOTE.—The subdivisional returns in Forms 13 and 14 [P.W.D. VI-7 and 7 (*a*)] of the monthly accounts of Receipts and Issues, respectively, of tools and plant should be carefully filed together in the Divisional Office after audit, vide paragraph 229.

223. The accounts of tools and plant issued for use by subordinates of the subdivision, or temporarily lent to contractors, as well as those of articles lent to local bodies and others under competent authority, should be specially reviewed periodically, and it should be seen that the articles are returned without unnecessary delay and in good condition.

1. This paragraph also applies to tools and plant sent out for repairs.

II.—Numerical Accounts.

(*a*) RECEIPTS.

224. All articles received should be examined and counted when delivery is taken, and the transaction should be posted in the Account of Receipts of Tools and Plant, Form 13 (P.W.D. VI-7). Such acknowledgment as may have to be given to the person from whom the articles are received can be signed only to the Divisional or Subdivisional Officer. An acknowledgment should invariably be given when articles lent are received back.

1. The record of the detailed account should, in case of purchases from suppliers, be kept in the Measurement Book in the manner prescribed in paragraphs 293 and 294.

2. The entries in Form 13 (P.W.D. VI-7) in respect of the receipt book of articles lent or sent out (vide paragraph 223) should be made in red ink, with a reference to the original entries in the Account of Issues of Tools and Plant.

(*b*) ISSUES.

225. All transactions of issues (including those of articles referred to in paragraph 223) should be posted in the Account of Issues of Tools and Plant, Form 14 [P.W.D. VI-7 (*a*)]. Except in the case of cash sales unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools, etc., lent to contractors, such acknowledgments should further set forth the valuation of the articles lent, as determined by the Subdivisional Officer. See also rule 1 to paragraph 189.

1. Entries of articles referred to in paragraph 223 should be made in red ink.

(c) Register of Tools and Plant.

226. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the Subdivisional office in Form 15 (P.W.D. VI-9), Register of Tools and Plant. This account should be for the twelve months ending September, that is, it should embrace transactions up to the date on which the accounts of the subdivision for that month are closed. It should be kept in three parts :—

Part I.—For articles in hand.

Part II.—For articles temporarily lent or sent out, vide paragraph 223.

Part III.—For shortages awaiting adjustment.

In Part I articles should be grouped under the prescribed sub-heads, which are—(1) Scientific instruments and drawing materials, (2) Plant and machinery, (3) Tools, (4) Navigation plant, (5) Camp equipage, (6) Livestock, and (7) Office furniture. In Part II, the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent out for repairs, etc. Part III is brought into use only if any shortages come to notice, and the instructions relating to it are given in paragraph 240.

227. Parts I and II of the Register should be posted thus—

(*a*) The Account of Receipts and Issues, Forms 13 and 14 [P.W.D. VI-7 and 7 (*a*) should first be totalled up monthly when closing the accounts of the month.

(*b*) The total receipts and issues of each article thus arrived at should be posted in Part I of the Register, Form 15 (P.W.D. VI-9) in the column for Receipts and issues respectively.

(*c*) Each separate transaction connected with articles lent or sent out (vide paragraph 223) should further be posted in Part II in the section reserved for the contractor or person concerned, articles lent, etc., being shown under " Debits " and those received back under " Credits."

228. As soon as the transactions for the month of September have been posted, the account should be closed and balanced, and the closing balances should be carried forward to the next year's return.

(d) Check in Divisional Office.

229. The monthly accounts of Receipts and Issues of Tools and Plant in Forms 13 and 14 [P.W.D. VI-7 and 7 (*a*)], received from the Subdivisional offices should be checked in the Divisional office so as to see that all tools and plant purchased or transferred from other divisions or subdivisions have been brought on to Form 13 (P.W.D. VI-7) and that all issues of tools and plant are supported by receipts of the parties concerned and that in the case of transfers, they have been brought on to the Account of Receipts in Form 13 (P.W.D. VI-7) of the subdivisions concerned. The annual returns of the subdivisions in Form 15 (P.W.D. VI-9), Register of Tools and Plant, should also be checked with the monthly returns in Forms 13 and 14 [P.W.D. VI-7 and 7 (*a*)], before submission to the Accountant-General—Vide paragraph 577.

III.—Payment for Supplies.

230. Payments for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts in paragraphs 196 and 197. But when the Mathematical Instrument Department is unable to supply any instruments intended for and arranges for their purchase, the suppliers, bill will, if that department so desires, be paid in cash or by a Remittance Transfer Receipt.

IV.—Recoveries.

(*a*) For use of Tools and Plant.

231. The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments, etc., and on certain works of the division itself, is described in Appendix 7.

232. When tools and plant are lent to local bodies, contractors or others, vide paragraph 223, the hire and other charges should be recovered regularly in accordance with the rules in paragraph 340 of the Madras Public Works Department Code.

233. The incidence of the cost of carriage of Government tents belonging to the Public Works Department for use during tours is governed by the provisions in the Madras Travelling Allowance Rules.

(*b*) For Sales and Transfers.

234. The Subdivisional Officer is responsible that when tools and plant are disposed of by sale or otherwise with the sanction of competent authority, the amount recoverable from the parties concerned is realized at the earliest opportunity. If the amount is not recovered within the month in which the articles are delivered, it should be charged to Miscellaneous Public Works Advances as a sale transaction, by the issue of a transfer entry.

1. A sale Account in Form No. 19 (P.W.D. VI-34) should be prepared in support of every transaction.

235. When tools and plant are transferred to other divisions or departments, the Subdivisional Officer should note in Form 14 [P.W.D. VI-7 (*a*)] in red ink, just below the entries of quantities, the values thereof if recoverable under the rules in Chapter XVI. The necessary adjustment will be effected by the Divisional office.

236. The foregoing rules will apply equally to the adjustment or transfer of the cost of special tools and plant charged to a work or project.

On the completion of a work or project on which special tools and plant were used or when these tools and plant are no longer required for use thereon, the Divisional Officers may transfer them, if in efficient condition, to another work or project in the same division or in any other division where they may be required for immediate use, after suitable valuation in consultation, if necessary, with the General Superintendent, Public Works Stores Division, Madras, crediting the values, thus determined to the work from which they are transferred by debit to the new work.

A list of such tools and plant whether originally purchased from the Public Works Stores Division or from any other source, should when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in their near future. Such of the plant as can be used on any works or projects in the near future should be transferred to the Public Works Stores, with the information regarding the works for which they have to be reserved for and the probable date when they will be required for the works.

The Public Works Stores Division should not take into its stock articles of special tools and plant unless it is known that they are likely to be required for use any where in the near future. Even in the case of ordinary plant offered by any division to the Public Works Stores, such as pumps, rollers, portable engines and all other articles that are in common and regular use in the department, the General Superintendent shall have the option of taking them over to the stores stock or not according to the stock existing at the time of the offer in the stores.

NOTE 1.—It is not permissible to write-back the cost of special tools and plant in anticipation of the possibility of the articles being utilized on another work or project at some distant date.

NOTE 2.—No articles can be removed from the numerical accounts, on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until, owing to their having become unserviceable, their write-off has been sanctioned.

237. Tools and plant which the General Superintendent, Public Works [Stores Division, proposes to take over from a division to the stores stock under paragraph 236 above shall be valued by him by taking into consideration the life, the then actual condition of the plant and the then prevailing market price for a new lant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant and credit given to the extent of the value so arrived at to the work concerned by the Public Works Stores Division. In this case, the cost of overhauling and all repairs to the plant and replacements should be borne by the Public Works Stores Division but the freight charges to Madras should be borne by the work from which the plant is transferred.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Public Works Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the place at which it is kept or by calling for sealed tenders or by any other means considered desirable by the sanctioning authority.

If any plant is considered unserviceable, it shall be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its component materials to be transferred to the stock of the Public Works Stores Division, Madras, or the Divisional Stores at Bezwada or Dowlaishwaram as scrap cast-iron or gun-metal, etc., for remelting, credit of the amount of the sale or the valuation of the scrap, as the case may be, being afforded to the work to which the value of the plant stands charged.

V.—Verification.

238. The rule in paragraph 213, regarding verification of stock, applies also to verification of tools and plant with the exception that when any articles are found deficient, the note of the deficiency should be made in red ink in the Account of Issues, Form 14 [P.W.D. VI-7 (*a*)], without making any entries in the quantity columns, so that the articles may continue to be borne on the accounts of tools and plant until the loss is adjusted by a recovery or a sanctioned write-off. See also paragraph 240.

VI.—Rectification of Accounts.

239. Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 195 for stock accounts except that no transfer entries will be necessary.

240. Discrepancies in quantities and losses should be dealt with as under :—

(*a*) When they are noticed, action should be taken as indicated to paragraph 238, losses being treated as deficiencies.

(*b*) When writing up the Register Form 15 (P.W.D. VI-9) the deficiencies should be registered in Part III under "Debits" and their clearance should be watched. Articles found surplus will be treated as receipts in Part I, and will, therefore, require no further action.

(*c*) If the deficiencies are made good in kind, the receipt of recovery should be shown in the Account of Receipts, Form 13 (P.W.D. VI-7), without making any entry in the quantity columns, and when posting the account into the register,

Form 15 (P.W.D. VI-9), the articles received should not be entered in Part I, but taken (with a suitable remark) direct to Part III, under "Credits" in clearance of the debit outstanding therein.

(*d*) If the deficiencies are made good by recovery of cost or their write-off is sanctioned, the articles should be shown, as issued, in the Account of Issues. Form 14 [P.W.D. VI-7 (*a*)], with a suitable remark, and when this entry is transcribed into the register, Form 15 (P.W.D. VI-9), it should not only be entered in Part I in the ordinary way, but also entered with a suitable remark in Part III, as in case (*c*), thus clearing the debit outstanding therein.

1. The authority to write-off should be obtained on a Survey Report in Form 18 (P.W.D. VI-45).

D.—ROAD-METAL.

I.—Quantity Accounts.

241. Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, vide Chapter X. But as metal is often kept in store at the road-side before being laid down, a quantity account of it should be maintained in the Subdivisional office in Form 16 (P.W.D. VI-12 and 13). "Statement of Receipts, Issues and Balances of Road-metal," copies on loose sheets being submitted monthly to the Divisional Officer within a fortnight of the submission of the monthly accounts.

1. The authority to write-off should be obtained on a Survey Report in Form 18 (P.W.D. VI-45).

2. This statement should show, mile by mile, the receipt, disposal and balances of road-metal of each kind (stone, kunker, etc.). The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

3. The statement should show the total metal received and issued on each mile of the road and at the end of the account for any road or section of a road an abstract would be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract, to the measurement books showing the receipt of metal and to paid vouchers showing the labour charges for spreading the same. The total balance as per this abstract should agree with the total balance of the statement.

242. Unused balances of road-metal should be verified at least once a year in the manner prescribed in paragraph 325 of the Madras Public Works Department Code, and whenever this verification is made, a report of verification of the road-metal should be prepared by the Subdivisional Officer, showing the balances as per account in Form 16 (P.W.D. VI-12 and 13), the actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be made when the officer responsible for the balance of road-metal is transferred.

II.—Rectification of Accounts.

243. Metal found surplus, as the result of check-measurement (vide paragraph 296 of the Madras Public Works Department Code) or otherwise, should at once be brought on to the quantity accounts. Deficits should, however, not be removed from the quantity accounts until recovery of their value or receipt of sanction to write-off; but a red ink remark should be recorded at once and carried forward, fom month to month until the discrepancy is set right.

III—Schedule of Rates.

244. A rate-book or Schedule of Rates showing the lowest rate at which metal can be supplied to the road-side throughout the division, should be kept in the Divisional office, in Form 17 (P.W.D. VI-47), with such modifications as may be considered necessary to suit local conditions. The rates should be revised, from

time to time, as old quarries are exhausted or new ones opened, or as other circumstances affect the rates. See also paragraph 116 of the Madras Public Works Department Code.

IV.—Charges for Quarries.

245. (*a*) When land is taken up for digging road metal, if the cost of acquiring it and opening up a quarry is Rs. 1,000 or less, the whole cost shall be debited direct either to " Repairs " or to " Original works " according to the nature of the work for which the quarry was primarily intended, irrespective of whether the produce of the quarry is expected to be used up in full or not on the work.

(*b*) In the case of a quarry, the cost of which exceeds Rs. 1,000 but does not exceed 10 per cent of the estimated cost of the work for which it was primarily acquired, the following procedure shall be followed :—

(i) If the produce of the quarry is expected to be used up in full on the work, for which it was primarily acquired, its cost shall be debited at once to that work. If later on, when the work is nearing completion, it is found that the quarry contains surplus metal which is likely to be used on other works, credit shall be given to the work to which the full cost of the quarry was debited in the first instance. This credit which will represent the cost of the quarry proportionate to the quantity of surplus metal still available will be set off by a corresponding debit under the sub-head " Land, kiln, etc." under the suspense head " Stock " which will be finally cleared by debit to the work or works (Repairs or Original works) on which the surplus metal is utilized.

(ii) If, however, it is known at the outset that the quarry is likely to supply metal exceeding the requirements of the work for which it was primarily acquired, and if such surplus metal is likely to be used on other works, the Executive Engineer shall debit to the former work such portion of the cost of the quarry, as he deems proper, and take the balance under the head " Land, kilns, etc.," under " Stock " pending clearance later on by debit to the work or works on which the surplus metal is used.

(*c*) In the case of a quarry, the cost of which exceeds 10 per cent of the estimated cost of the work for which it is acquired, the procedure laid down in clause (*b*) (ii) above shall be followed.

E.—MATERIALS CHARGED TO WORKS.

246. The account procedure relating to materials obtained specially for a work is described in Chapter X. Special tools and plant charged to works do not fall under the category of " materials charged to works "—vide paragraphs 221 and 222.

CHAPTER VIII.—TRANSFER ENTRIES.

247. Transfer entries, that is, entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account of another or work head, are necessary—

(*a*) In order to correct an error of classification in the original accounts ;

1. Sometimes it is more convenient to classify items pertaining to several heads (or works) under a single head in the first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transactions, relating to it are taken to the account of a single party in the first instance, and before closing the accounts of a month, the necessary distribution over all the accounts is effected by the transfer entry.

(*b*) In order to adjust, by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debt head ;

NOTE.—The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock accounts at the end of the month—vide paragraph 325 (*a*).

(*c*) In order to bring to account certain classes of transactions which do not pass through the cash or stock account, e.g.—

(i) For credit to " Purchases " or " London Stores ", as the case may be, on account of materials received for works from sources other than stock—vide paragraphs 325 and 330 ;

(ii) For credit to " Public Works Deposits " on account of balances due to contractors on closed accounts—vide paragraph 361 ;

(iii) For credit to revenue heads on account of revenue not recovered in cash.

(iv) For original debits or credits to Remittance heads based on transactions not appearing in cash or stock accounts ;

(v) For credit to the heads concerned of the several percentages leviable under the rules, e.g., those on account of storage (when not recovered in cash), establishment, tools and plant and workshop charges—vide paragraph 331 (*a*) of the Madras Public Works Department Code and Appendix 7 and paragraph 449 of this Code ;

(vi) For debits to " London Stores " on account of the value of English Stores—vide paragraph 430 ;

(*d*) In order to respond to a remittance transaction advised by the Accountant-General or direct by the division or department concerned, if the corresponding debit or credit to the remittance head has not already appeared in the accounts ;

(*e*) In order to relieve the account of a work in progress of—

(i) items which have ceased to be chargeable against the estimate for the work, and

(ii) suspense charges which can no longer be kept within the accounts of the work (vide paragraph 354). Such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries (otherwise than in cash) have become due, e.g., by the transfer of stores to any other work or account.

248. For every transfer entry there must either be an authority in Form 53 (P.W.D. VI-10), Transfer Entry Order or an order recorded on another document [e.g., Survey Report, Form 18 (P.W.D. VI-45), and Final Bill of a contractor's closed account placed under Public Works Deposits] which sets forth all the necessary particulars ; see also paragraphs 537 and 555.

1. In case in which the Transfer Entry Order is not required to be submitted to audit with the monthly account, vide paragraph 569, the necessary order, if not initiated by a Subdivisional Officer, may be signified by the Divisional Officer's initials against the entry in the Transfer Entry Book (paragraph 252).

2. There is no objection to a transfer entry covering a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

3. Transfer entries initiated by the Subdivisional office should be done in triplicate, the second and third copies being prepared by the carbon copy process. The Divisional office will file one copy in support of an abbreviated entry in the adjustment register and forward the second copy to the Audit office in support of the monthly account—vide paragraph 569.

249. A Transfer Entry Order may be initiated by the Subdivisional Officer, and should be so initiated by him in all cases falling within clauses (*a*), (*b*), (*c*) and (*e*) of paragraph 247 which come within his cognizance.

250. The Divisional Officer is responsible that no transfer entry is made in the accounts unless admissible under the rules, that a transfer entry is made as soon as it becomes necessary, and that Transfer Entry Orders in respect of transactions falling unders clause (*a*), (*b*) and (*e*) of paragraph 247, proposed by Subdivisional Officers, are countersigned by himself in token of acceptance.

1. Transfer entries should receive the special attention of Divisional Officers so that habitual errors and misclassifications in the accounts of subordinate officers may not remain unnoticed.

251. All Transfer Entry Orders should set forth such explanation of the correction or adjustment proposed to be made as would establish clearly the correctness and necessity of the entry.

1. In case of corrections involving a reduction in the charges against the estimate of a work it is essential not only that full particulars of the vouchers and accounts in which the erroneous charges originally appeared are specified, but also that the circumstances in which the charges were wrongly allocated under the estimate for the work are clearly set forth. It is not sufficient to state that the charges were erroneously classified previously.

252. All transfer entries ordered to be made should be registered in the Transfer Entry Book, Form 54 (P.W.D. VI-18) maintained in the divisional office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly the Divisional Accountant should see that no adjustments which are required to be made under any rule are omitted.

253. No transfer should be made from one sub-head to another in the accounts of a work except on the authority of a formal Transfer Entery Order prepanred in accordance with the procedure prescribed in this chapter and approved by the Divisional Officer. The order should be filed with the Works Abstract for the month in which the transfer is effected and it should not be entered in the Transfer Entry Book.

CHAPTER IX.—REVENUE RECEIPTS

A.—GENERAL.

254. The bulk of the Irrigation Revenue for the supply of water for cultivation purposes is collected by the Land Revenue Department and the Public Works Department has no hand in its collection or accounts. Dues on account of water supplied from irrigation work to towns, mills or plantations are assessed in the Public Works Department and realized in the Revenue Department; revenue from the sale of canal produce is assessed and realized in the Public Works Department. The latter is also responsible for the realization of revenue from miscellaneous properties such as the sale of rights to enjoy the usufruct of trees, grass and fisheries, for the assessment and recovery of rents of buildings and lands, rents of staff boats and other floating plant, and for the collection of licence fees and other dues leviable under the Navigation Rules. The detailed rules relating to the realization of revenue from miscellaneous properties and rents of buildings are contained in paragraphs 345–347 of the Madras Public Works Department Code. The rules relating to licence and other fees under the Navigation Rules have been issued separately in the form of separate booklets for the several canal system. The general principles for the hiring of floating plant are contained in paragraphs 341 and 349 of the Madras Public Works Department Code.

Public Works revenue collected should be brought into account in accordance with the classifications prescribed in Appendix 4.

255. A register of miscellaneous properties should be maintained in each subdivision in Form P.W.D. V-49 (*a*), 49 (*b*), in order that no item of revenue may be lost sight of. This register should be submitted to the divisional office monthly and also at the time of the audit inspection.

If, however, the registers cannot be spared by the Subdivisional Officers in any particular month (e.g., in the month in which grass sales have to be conducted) they should be sent to the divisional office as soon as the sales are over. On the first page of the register there should be clear information available to show (1) that the register is signed by the Subdivisional Officer every month, whether there are transactions during the month or not, (2) when the register is sent to the divisional office, and (3) when it is received back in the Subdivisional office.

When there are no transactions in a month, the register need not be submitted by the Subdivisional Officer to the division office. The reason for the non-submission should be recorded in the register against the month under the signature of the Subdivisional Officer and the fact intimated to the division office.

As soon as the sales of miscellaneous properties are confirmed and lease amount or instalments thereof are collected the Subdivisional Officer should see that the particulars pertaining to each item are entered in the register. He is personally responsible,—

(i) for obtaining the lease agreements wherever necessary within the prescribed time,

(ii) for collecting the lease amounts or instalments thereof and the security deposits on the due dates, and

(iii) for seeing to the fulfilment of the other conditions of the sale notice and the agreement—vide Appendix X to the Madras Public Works Department Code and also paragraphs 345 and 346 of that Code. The Subdivisional Officer should also verify regularly every month the particulars entered in the register against the items in which there were transactions along with the cash book and connected vouchers and documents and entered in the relevant column in the register the balance yet

realizable in each case for the year both in figures and in words in his own handwriting with dated initials. He should also see if the entries verified by him in respect of those items in the previous month are in any manner tampered with.

When the register is received in the Division office for scrutiny the Divisional Accountant should get the particulars entered against each item verified under his supervision. He should take to the notice of the Executive Engineer in writing cases where lease agreements are not obtained and lease amounts and security deposits are not collected within the due dates and see that they are pursued until the agreements are obtained and the amounts are collected or until the properties are resold and the amounts recoverable from the defaulted lessees including losses, if any, are realized.

The Subdivisional Officer primarily and the Divisional Accountant secondarily will be held personally responsible for losses, if any, arising from failure to observe the procedure laid down above.

The detailed rules for the accounting of navigation receipts by canal officers are contained in Appendix 6.

256. Distinction must be made between receipts which are finally creditable to Government as revenue of the department, and transactions which represent merely such cash or other value received as has either to be eventually repaid or to be utilized to meet the cost of some service to be rendered or already rendered, or to be taken in reduction of expenditure previously incurred. Receipts of the latter class are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter ; see also Statement E of Appendix 4.

1. For appropriation of unclaimed balances lying in the deposit accounts, see paragraph 463.

2. Cemetery endowment receipts are not treated as revenue, but interest thereon is credited annually to Civil Works revenue in the books of the Audit office, see paragraph 13 of Appendix 5.

3. Receipts in connexion with District Fund Works which are realized by Public Works Officers are creditable to the head " Deposits of Local Funds—District Funds."

4. When the fines collected for damaging toddy-yielding Government trees are credited to the Public Works Department the rewards payable to abkari officers for detecting the cases are admissible as charges (refunds of revenue) against this department. The disbursement of these rewards should be made under the authority of the Executive Engineer of the division.

5. Amounts realized by the sale of fruits, etc., should be credited to the head " Revenue."

6. The sale-proceeds of trees felled in the compound of a public office should be treated as miscellaneous receipts of the Public Works Department, if the felling is done in the course of execution of works by the Public Works Department. In other cases, the sale-proceeds of the usufruct of trees and of trees felled should be credited to the department to which the cost of maintenance of the compound is charged.

7. The fees charged by Executive Engineers of divisions or the Electrical Engineer for testing the lighting conductors attached to explosive magazines should be credited to Provincial Revenues under the head " XXXIX. Civil Works."

257. (*a*) It is not permissible, except in the case of storage charges on stock sold on credit, to credit revenue to the head concerned until it is realized, but Divisional Officers are responsible that demands are made as revenue falls due, that steps are taken with a view to effect prompt realization of all revenue, regular or occasional, and that proper records are kept to show, in respect of all items of revenue, recurring or non-recurring, the assessments made, the progress of recovery and the outstanding debts due to Government.

1. The object or this rule is that all classes of revenue, whether accruing from property of any kind, from leases of rights and concessions (e.g., rights for fishing, grazing, etc., and use of water-power), or from any other source, are properly watched.

(*b*) The recovery of all debits due to Government should receive the special attention of the Divisional Officer and no debt should be remitted or written off except under the orders of competent authority.

258. (*a*) The charges for water drawn for industrial purposes from Government sources will be as shown in the following statement :—

Water taken direct from Government sources.		Water taken from private sources benefited by percolation from Government sources.	
(*a*) By hand.	(*b*) By mechanical contrivances.	(*a*) By hand.	(*b*) By mechanical contrivances.
(i) Up to 99 cubic yards no charge.	At Rs. 3 per 1,000 cubic yards subject to a minimum of Rs. 50 per annum.	No charge ..	(i) Up to 99 cubic yards no charge.
(ii) 100 cubic yards and above at Rs. 8 per 100 cubic yards per annum, the excess over round hundreds of cubic yards being disregarded.	..	..	(ii) 100 to 999 cubic yards, Rs. 3 per annum.
			(iii) 1,000 cubic yards and above at Rs. 3 per 1,000 cubic yards, excess over round thousands of cubic yards being rounded off to the nearest thousand.

NOTE.—The minimum charge of Rs. 50 per annum will not apply to railway companies.

The above rates do not apply to water drawn for the development of electrical power, applications for which should be submitted to Government for orders through the Collector of the district

The Board of Revenue is empowered to waive the recovery of back charges for water taken for industrial purposes up to a limit of Rs. 500 in each case, and also to order the recovery of an amount less than the minimum charge of Rs. 50 fixed for water taken by mechanical contrivances directly from Government sources on the recommendation of the Collector or the Superintending Engineer, as the case may be.

(*b*) Where permission is given to the taking of water from drains it will be subject to the condition that, should the drains be cross bunded or obstructed in any way, the concession will be immediately withdrawn.

(*c*) No rent will be levied on land acquired for irrigation and navigation works by the Public Works Department, and temporarily transferred to other departments of Government.

(*d*) No water-rent for canal water used for the following purposes will be levied :—

(i) Rearing a coconut nursery at a lock ;

(ii) Growing fruit-bearing avenue or other useful trees in the backyards of lock establishment quarters and in a rest-house compound.

NOTE.—Superintending Engineers may sanction the supply of water free of cost to drinking water tanks in unions with the concurrence of the Collectors concerned.

(*e*) Agreements entered into with private parties for water drawn from Government sources are liable to a stamp duty of 12 annas and should be registered. The memoranda of terms entered into with railway companies need not be stamped nor registered.

NOTE.—No agreement need be taken in petty cases especially where the taking of water is not going to be regularly repeated as, for example, when a person takes water to make bricks for a house which he is building. All cases, whether petty or important, will be entered by Karnams in Village Account No. 7. Statement of Miscellaneous Revenue.

It is also not necessary to take formal agreements from local bodies for the water drawn by them from Government sources. The Government Order permitting the local body concerned to take water from the Government source should be entered as the " authority " in column 7 of the Register of Agreements referred to in Board's Standing Order No. 11-A (Appendix IX).

(*j*) The revenue realized from fees for the use of Government water for the generation of electricity and for propelling machinery should be credited as follows :—

(i) Where the use of the water-power is for the generation of electricity, the investigation of the proposal and the royalties and other revenues derivable from it should, respectively, be carried out by and credited to the Electricity Department, viz., to " XXXVI—Miscellaneous Department." ;

(ii) where the water-power is to be used for purely mechanical purposes without electric power, e.g., a water mill, the Irrigation Department should carry out the investigation and get credit for the royalties, fees and other revenues, i.e., to " XVII or XVIII ", as the case may be, whether the source of water is in charge of the Public Works Department or the Revenue Department ; and

(iii) where the water-power is used for the generation of both electric power and mechanical power, the fees realized should be divided between the Electricity and Irrigation Departments on the basis of the quantity of water utilized for the purposes, but such decision in each case should be subject to the previous approval of Government.

259. *Deleted*—vide G.O. No. 783 W., dated 5th March 1929.

B.—IRRIGATION REVENUE COLLECTED IN CIVIL DEPARTMENT.

260. Irrigation revenue which is collected in the Revenue Department as part of land revenue, is not brought into the accounts of the Divisional Officer. The necessary adjustments in the accounts are made by the Accountant-General in correspondence with the Board of Revenue (Land Revenue and Settlement).

C.—RENTS OF BUILDINGS AND LANDS.

Demands and Recoveries.

(*a*) From Private Persons.

261. When a public building, land or other property is to let to a person not in the service of Government, the full assessed rent must be recovered in advance.

Note.—Sums received in advance for payment of rents of lands should be credited direct to revenue.

(*b*) From Government Servants and Pensioners.

262. The recovery of rents from Government servants occupying rentable buildings in charge of the department may be made either in cash or by deduction from their pay bills through the Treasury Officer or other disbursing officer concerned, as may be directed by Government.

1. Amounts due on account of the hire of Government furniture and on account of the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him may also be recovered either in cash or by deduction from pay bills in accordance with the rule in this paragraph.

2. The system of direct recovery in cash from employees of other divisions and departments is ordinarily not suitable when the rent recoverable is dependent upon the rate of pay of the occupant.

263. Where rent is recoverable in cash, a bill in suitable form should be sent to the tenant on or before the last day of each month. The tenant should be required to pay in the rent before the expiry of the following month.

264. When recoveries of rent are to be effected through a Treasury Officer or other disbursing officer, a demand in Form 48 (P.W.D. VI-49), statement of rents tecoverable in cash or by reduction, from pay bills, should be sent, in duplicate before rhe close of each month, to the officer concerned who will make the necessary recoveries and return one copy of the statement duly completed. The statement should be forwarded to the Treasury Officer not later than the following dates :—

In a month of 28 days, the 26th of the month.

Do.	29	do.	27th	do.
Do.	30	do.	28th	do.
Do.	31	do.	29th	do.

The Treasury Officer should return the copy of the statement between the 22nd and 25th of the following month.

1. In cases of cash recovery from Government servants the Divisional office should obtain from the disbursing officers a certified statement in Form 48 (P.W.D. VI-49).

2. In Form 48 (P.W.D. VI-49) will also be included any amounts due on account of the hire of Government furniture, the value of articles of furniture and other Government property lost or damaged by a Government servant as well as any other dues for which a Government servant may be liable to Government in respect of the residence allotted to him—vide rule 1 under paragraph 262.

3. A separate Form 48 (P.W.D. VI-49) should be prepared in respect of each tenant who is a gazetted Government servant who draws his pay direct from the treasury. For non-gazetted Government servants there should be a single consolidated form for each class of establishment whose pay is drawn in a separate bill. Particulars in regard to this should be obtained by the Divisional Office from the drawing officers.

4. In the case of gazetted Government servants the Form 48 (P.W.D. VI-49) will be filled up from the information contained in the pay slip received from the Audit office under Article 232-A, Audit Code. When a tenant goes into occupation of a residence the Divisional Officer will intimate the fact to the Audit Officer and call for pay slip. In the case of non-gazetted Government servants the Form 48 (P.W.D. VI-49) will be prepared on the basis of information to be obtained from drawing officers.

5. Treasury Officers and other disbursing officers have instructions to recover the amounts specified by the Divisional Officer, without prior reference to the tenants and to note in the statement of rents the particulars of emoluments, and of changes therein, in respect of Government servants whose rent is limited to a percentage of such emoluments.

6. If the rent recoverable from a Government servant is limited to a certain percentage of his emoluments, and such emoluments are changed retrospectively, the rate at which rent is recovered should also be changed retrospectively.

7. If a Divisional Accountant becomes aware that the emoluments of a Government servant have been changed in respect of a period during which he occupied a Government residence at some other station or stations, he should see that the intimation of the change of emoluments is given to the Divisional Officers of the stations concerned to enable them to recover the arrears of rent where necessary.

265. In preparing the statement of demands, the Executive Engineer should rely upon copies of pay slips of gazetted officers received from the Accountant-General and intimations, from heads of officers, of the changes in the emoluments of non-gazetted officers occupying Government residences. The completed copy of Form 48 (P.W.D. VI-49) returned by the Treasury Officer should also be made use of in preparing the statement of rents for the next month, and the assessment should be revised whenever any change of emoluments has been noted by the Treasury Officer. The Executive Engineer should provide also for the recovery of additional rent due either because the full amount has not been collected in the previous month, or because arrears of emoluments have been paid to a Government servant.

Note.—After necessary action had been taken on the statement of rents in Form 48 (P.W.D. VI-49) returned by the Treasury Officer, the Executive Engineer will forward it to the Audit office with the monthly return of buildings.

266. Amounts recovered by deduction from pay bills cashed at the treasuries subordinate to the same Accountant-General as the Divisional Officer, will not be passed on to the latter for adjustment in his accounts, as the Accountant-General will credit the revenue heads (and canals, etc.), concerned direct in his own books. The Divisional Officer should, however, credit the accounts of the tenants in the Register of Rents of Buildings and Lands, Form 49 [P.W.D. VI-49 (*a*)], paragraph 280, with the recoveries as certified by the Treasury, Disbursing or Drawing Officer concerned.

1. The Accountant-General will forward to the Divisional office for verification the statements in P.W. account Form 48 (P.W.D. VI-49) received during the month in the Audit office with the accounts of *ten per cent* of the treasuries selected by him. The Divisional Accountant should compare these statements with the corresponding entries in the register of rents of buildings and lands [Form 49, P.W.D. VI-49(*a*)], see that no statement pertaining to the treasury has been omitted to be sent by the Audit office, and takes steps to revise the assessment of rents of Government servants whose rates of emoluments have been altered by the Audit office.

267. All heads of departments and officers should furnish not later than the 15th of every month, to the Executive Engineer, a statement in C.F. No. 307 showing the particulars regarding the names, designations, emoluments, etc., of the Officers occupying quarters provided by Government irrespective of the fact that rent is payable for them or not, and the changes in the occupancy of such buildings. In the case of vacant buildings, heads of offices should furnish information as to what period each building is expected to be vacant and whether the building will be required during that period by any officer of the same department. The Executive Engineer should then consider the desirability of finding tenants for the vacant buildings.

NOTE.—For the purpose of the above rule, it will be sufficient if heads of officers intimate monthly in the form of additions to, and changes in, the completed statement once furnished. When there are no changes, the fact should be intimated to the Executive Engineer concerned.

268. When a Government servant is transferred or proceeds on leave or retires the Executive Engineer should give the Treasury Officer as early notice as possible of the date up to which rent is payable.

269. The duties of Treasury Officers in the matter of recovery of rents are laid down below :—

(i) The Treasury Officer will note in column 6 of both copies of the statement of rents recording at the bottom of the statement a certificate that he has done so—

(*a*) the emoluments actually drawn by the tenant, where they differ from those entered by the Executive Engineer in column 3 ;

(*b*) any sum drawn by the tenant as arrears of emoluments, with details of the rate at, and period for, which it has been drawn.

He will also note in column 6 of the number of the bill from which deduction of each item of the rent was made ; and if, in any instance, the rent noted in column 4 has not been recovered in full, a brief explanation of the reasons for non-recovery.

(ii) He will return one copy of the statement thus completed to the Executive Engineer, so as to reach the latter Officer :—

In a month of	28 days	by the	22nd	of the month
Do.	29	do.	23rd	do.
Do.	30	do.	24th	do.
Dc.	31	do.	25th	do.

(iii) He will obtain from sub-treasuries details of recoveries of rent effected there, in time for inclusion in this copy of the statement of rents. Any subsequent recoveries effected by the Treasury Officer, or a Sub-Treasury Officer, too late for inclusion in the statement, should be included in the statement of the following month.

(iv) He will compare and agree the total of the recoveries shown in the other copy of the statement of rents (which should include recoveries made too late for inclusion in the first copy) with the total credits in the Treasury Account and will submit this copy to the Audit Office with the Treasury Account for the month in which the recoveries were made.

(v) He will continue to recover rent at a rate once intimated by the Executive Engineer, until advice to the contrary is received from him, whether the monthly demand statement Form 48 (P.W.D. VI-49) has been received or not; and when a Government servant is transferred, proceeds on leave, or retires, he will, unless otherwise instructed by the Executive Engineer—

(*a*) if the Government servant is paid up to the date of making over charge, recover from the pay bill the rent due up to that date;

(*b*) if the Government servant is not paid up to the date of making over charge, recovery from pay any bill paid, the rent due for the period covered by the pay bill, and note on the reverse of the last-pay certificate of the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

(vi) He will not conduct any correspondence with tenants on the subject of their rents but will refer them to the Executive Engineer.

270. Recoveries made by Treasury Officers not subordinate to the same Accountant-General as the Divisional Officer and by disbursing officers, should be credited to the accounts of tenants in the Register of Rents of Buildings and Lands Form 49 [P.W.D. VI-49 (*a*)], and adjusted in the divisional accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them, without waiting for the intimation of the corresponding credit from the Audit office—vide rule 1 to paragraph 493.

1. Statements received from disbursing officers and submitted to the Audit Officer along with the divisional accounts will be sent periodically to the Audit Officers of the circles concerned for verification, and the procedure indicated in rule 1 under paragraph 266 will then be followed in respect of the verified statements.

271. A tenant who is in receipt of a pension from Government, should be treated as a private individual for the purpose of these rules. But if he desires to make payments by deductions from his pension, recoveries from him may be made through the Treasury Officer or other disbursing officer concerned, on the pensioner's furnishing the Divisional Officer with a written request authorizing such deduction. This authority should be transmitted to the Treasury or disbursing officer with the first demand.

272. In the case of vacation of quarters by a Government servant before the last day of a month, owing to his departure on transfer, leave or retirement, the demand for the rent for the broken period should be made at once, so that the amount due may be recovered before his departure.

273. Pending orders on a representation against the Divisional Officer's assessment, the amount assessed must be paid by tenants on demand. Should the representation prove successful, the excess amount charged should be adjusted as soon as orders are issued, by a reduction in the assessment of a subsequent month, or, if this is not practicable or convenient, by an actual repayment.

D.—REFUNDS AND REMISSIONS.

274. Remissions of irrigation revenue allowed before collection should be treated as reductions of demands, and cash repayments of such revenue after collection, as outlay against the appropriation for the head "*Deduct*—Refunds" subordinate to Direct Receipts. All other refunds of revenue and repayments of "Receipts and Recoveries on Capital Account" (Appendix 4) should be taken in reduction of the receipts under the heads concerned.

275. Before a remission or refund of any kind, otherwise in order, is allowed the original demand or realization, as the case may be, should be traced and a reference to the remission or repayment should be so recorded against the original entry in the cash book and other accounts as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should be taken back if possible and destroyed, a note of the repayment being, in any case, recorded on the counterfoil of the receipt.

E.—ACCOUNTS PROCEDURE.

I.—Registers of Revenue.

276. All revenue receipts of the division should be classified, and abstracted in a Register of Revenue, Form 46 (P.W.D. VI-25) maintained in the divisional office. The receipts relating to each project for which a separate revenue account is kept, should be registered separately, and all the other receipts pertaining to a major head should be booked collectively. The receipts relating to the agency transactions of the Central Government should be recorded separately.

277. In this register a column is opened for each minor head of revenue (and detailed heads subordinate to it) other than "*Deduct*—Refunds," for which a single deduction is made from the total revenue of the month, the details of the charges making up the figure to be deducted being recorded in a separate Register of Refunds of Revenue, which should also be in Form 46 (P.W.D. VI-25).

1. For accounts procedure in respect of refunds of rents realized, see Rule 1 to paragraph 282.

278. All receipts falling under the minor head "Receipts and Recoveries on Capital Account" should also be abstracted in Form 46 (P.W.D. VI-25) a separate account being kept for each project the expenditure whereon is booked separately. Receipts falling under the minor head "Recoveries of Expenditure" will appear in the register of revenue for the major head concerned under three distinct detailed heads, viz.—

(1) Recoveries of charges for establishment.

(2) Recoveries of charges for tools and plant being sub-divided into (*a*) percentage recoveries and (*b*) other items, and

(3) Other items.

279. In respect of rent receipts of the buildings and special services for which a subsidiary account is kept in Form 49 [P.W.D. VI-49 (*a*)] (see paragraphs 280 and 282), it is not necessary to make entries in detail in any of the registers in Form 46 (P.W.D. VI-25). The monthly totals only (excluding the amounts realized by Treasury Officers under the same circle of audit), for each class of the rents for which separate detailed heads have been opened under the minor head "Rents" should be transferred from Form 49 [P.W.D. VI-49 (*a*)] to Form 46 (P.W.D. VI-25).

II.—Register of Rents.

280. A register in Form 49 [P.W.D. VI-49 (*a*)] (Register of Rents of Buildings and Lands) should be maintained in the divisional office to show the monthly assessments, realizations and balances of rents, of all residential buildings (including office buildings used as residences) and of such other buildings, lands, etc., as may be available for being let. No building other than those falling within the categories specified in clauses (*a*) and (*b*), of article 301 of the Account Code, or site should be excluded from this register on the plea that it is intended to be occupied rent-free or is not likely to be rented, but all such buildings may be grouped separately.

1. Private buildings which have been hired for use as residences or are used as such wholly or in part, should be included in this register.

2. Rent-free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable. Nor need rest-houses and other travellers' bungalows be entered although rent receipts from them are also treated as rents of buildings which are required to be booked under the minor head "Rents."

281. The entries relating to the assessment of rent should be made month by month, and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.

1. If any property is occupied free of rent, or if the rate for any month's assessment is neither the standard rate nor the 10 per cent of the occupant's emoluments a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of the 10 per cent concession [recognized by Fundamental Rule 45 A-IV (*b*)] a reference to the specific orders of Government allowing it should be recorded in the remarks column of the register of rent.

282. The total realizations of each month should be abstracted at the foot of the register, so as to show separately (1) cash realized in the division, (2) recoveries by other disbursing officers adjusted in the divisional accounts (paragraph 270), and (3) recoveries at treasuries of the Province adjustable in the Audit office (paragraph 266), for both rents of buildings and rents of lands, etc. If any buildings are provided with special services such as furniture, etc., for which rent is charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself, and in the abstract also the realizations on account of each of these services should be shown separately.

1. Refunds of rents realized should be treated as payments made (paragraph 82) and should therefore be shown separately as *minus* realization in the register of rents and buildings and lands and thus distinguished from the gross realizations of rent.

CHAPTER X.—WORKS ACCOUNTS.

A.—GENERAL PRINCIPLES.

283. (*a*) Expenditure on the construction or maintenance of a work may be broadly divided into two classes, viz., (1) Cash and (2) Stock charges. As explained in Chapters VI and VII, these charges are recorded in the cash and stock accounts, respectively.

(*b*) In addition to the charges falling under these main classes there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, materials received from them or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the rules.

(*c*) All these transactions pass into the general accounts of the division in the manner described in Chapter XXI and are thence consolidated into the accounts of the Province. As, however, the units of classification adopted in the general accounts in respect of expenditure are certain heads of accounts and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in subdivisional and divisional offices for recording (1) the cost of individual works and (2) the transactions of individual contractors. These are known as Works Accounts.

284. Although the primary object of the accounts of works is to exhibit simply, but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings, etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction is a prolonged one, it would not be possible for the Divisional Officer to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The Divisional Officer's personal knowledge of the executive arrangements for the execution of a work, and of the actual progress of work, must be supplemented by a comparison, monthly, of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible unless the total cost is split up into convenient parts in such a way that, as far as possible, the cost of each distinct part may be compared with the work done thereon.

285. In regarding the cost of an individual work in the accounts no attempt is made to include therein any charge on account of general services, like Establishment and Tools and Plant, the entire cost whereof is adjusted in the general accounts under the prescribed heads of classification. But if any service connected with the working estimated for a work is rendered by another division or department and the claim made by it includes an authorized charge on account of such general services, under paragraph 5 of Appendix 7, such charge may be accepted and adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

1. When the cost of special tools and plant is included in the cost of a work under paragraph 221, the rules in Chapter VII regarding numerical lists or returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by the rules in paragraphs 236 and 237.

2. The cost of special establishment employed on the acquisition of land when chargeable to the accounts of the works concerned under article 235 of the Madras Financial and Account Code, Volume I, should be treated as part of the works expenditure.

3. Lump-sum charges of Establishment and Tools and Plant recoverable from other Governments and departments, for works executed for them as a standing arrangement should not be included in the accounts of the works, but dealt with under the rules in Appendix 7.

286. Primarily the Divisional Officer is the responsible disbursing officer of the division. Superintending Engineers may empower Subdivisional Officers to pay bills without preaudit in the divisional office up to a maximum amount of Rs. 500 in the case of all first and final bills and Rs. 5,000 in the case of intermediate bills. A Divisional Officer may, if necessary, require bills even below the limits laid down under the above rule to be sent for preaudit.

NOTE.—1. " Payments to several payees as provided in paragraph 299 of this Code may be made by Subdivisional Officers themselves in a single First and Final bill without the necessity for preaudit in division office, provided the amount due to such individual included in the bill does not exceed Rs. 500."

NOTE 2.—The limit of Rs. 5,000 in respect of intermediate payments refer to the value of work actually executed or supplies received and is also the maximum limit up to which payments may be made on any work in a month—*vide* paragraph 312 (*a*). This limit is not affected by bills paid after preaudit in the division office.

NOTE 3.—Annual scheme maintenance estimates connected with irrigation works are excluded from the operation of the rule in the above paragraph.

NOTE 4.—Subdivisional Officers are authorized to refund deposits credited in the subdivision cash book after necessary verification except in cases where the party fails to produce the original receipt, or the item to be refunded has already been credited to Government under paragraph 463 of the Madras Public Works Account Code, or confiscated under the provisions of an agreement or bond.

287. Initial accounts and vouchers connected with charges relating to works must invariably specify (1) the full name of the work as given in the estimate, (2) the name of the component part (or " sub-head ") of it, if separate accounts are kept up for the several component parts and (3) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

1. In the case of recoverable charges it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entitled if they had themselves incurred the charges.

B.—CASH PAYMENTS.

I.—Introductory.

288. Cash charges on works consist of payments (1) to labourers and members of work-charged establishments, of their wages and (2) to contractors and others for work done or other services rendered. The cost of materials procured specially for work is charged to the accounts of works by transfer credit to the " Purchases " account, but payments to suppliers are governed by the same rules as payments to contractors for work done.

The general rules relating to cash payments and vouchers in paragraphs 150 to 159 apply to all these classes of payments. Only special rules are, therefore, setforth in this chapter.

289. The rules in article 30-B, Madras Financial and Account Code, Volume I, enjoining that inevitable payments should be liquidated and recorded at the earliest possible date, should be carefully observed, see also second sub-paragraph of paragraph 153 of the Madras Public Works Department Code. There should be no delay in the payment of bills for work done for want of approved agreement, sanction to revised estimate, or work-slip or similar reasons.

Superintending Engineers should prescribe for officers under their control the maximum intervals permissible at the several stages between the measurement of a work and the payment of the bill, and should make it a point to see how far the orders are observed during inspections. The intervals fixed by the Superintending Engineer should be put in a tabular form and hung in the room of each Executive Officer and the Divisional Accountant.

II.—Payments to Labourers.

(a) Departmental Labour.

290. With the following exceptions, all persons engaged departmentally for the execution of works are considered as day labourers and their wages should be drawn on muster rolls, Form 21 (C. Forms Nos. 474 and 475) and charged to the estimates of the works on which they are employed :—

(1) Permanent and temporary employees of the division whose pay is charged to the head " Establishment."

(2) Members of the work-charged establishment as defined in paragraphs 58 to 62 of the Madras Public Works Department Code.

Discrepancies between labour reports and muster rolls should be investigated as soon as the latter are received.

291. Muster rolls should be prepared and dealt with in accordance with the following rules, Form 21 (C. Forms Nos. 474 and 475) being used :—

(*a*) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

NOTE.—Entries in muster rolls should be made in ink or indelible pencil.

(*b*) Labourers may be paid more than once a month and the period covered by each payment may be determined locally ; but separate rolls must be prepared for each period of payment.

(*c*) The daily attendances and absences of labourers and the fines inflicted on them should be recorded daily in Part I of the muster roll in such a way as—

(i) to facilitate the correct calculation of the net wages of each person for the period of payment,

(ii) to render it difficult to tamper with or to make unauthorized additions to or alterations in, entries once made, and

(iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works where necessary.

NOTE.—Subdivisional Officers should, as frequently as possible, test-check the attendance of labourers, especially in cases where it is anticipated that the aggregate payment to be made on nominal muster rolls in connexion with a work will exceed Rs. 500.

(*d*) After a muster roll has been passed by the Subdivisional Officer, payment thereon should be made as expeditiously as possible. Each payment should be made or witnessed by the official of highest standing available, who should certify to the payments individually or by groups, at the same time specifying, both in words and figures, at the foot of muster roll, the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in Part II, the register of arrears before the memorandum at the foot of the muster roll is completed by the person who made the payment.

NOTE.—The rule that a subdivisional Officer should pass all muster rolls may be relaxed by the Executive Engineer in exceptional cases, where its enforcement will lead to objectionable delays so far as works executed departmentally in non-Agency tracts are concerned.

The relaxation of pre audits by the Subdivisional Officer given under this delegation by the Executive Engineer carries with it also the permission to pay the amounts of the Nominal Muster rolls from the permanent imprest with the section officers.

In regard to work executed in Agency tracts, the Section Officer shall pay muster rolls without pre-audit by the Subdivisional Officer from his imprest, provided the outturn of work done by the coolies is up to the standard fixed in the schedule or rates ; but this rule does not do away with the duty imposed on the Subdivisional Officer to test-check the musters frequently —*vide* note under clause (*c*) of this paragraph.

In cases where the outturn of work done by the coolies in the Agency tracts is not up to the standard fixed in the schedule of rates, if the deficit outturn does not exceed 10 per cent of the standard outturn, the Subdivisional Officer is empowered to pay muster rolls *in full*, for reasons which should be *recorded*.

(e) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified to in Part II in the same way as payments of current items. It is optional, however, with Divisional Officers to adopt any other alternative method of making payments of unpaid wages, provided that a systematic record of items remaining unpaid is maintained on the basis of the original entries made in Part II of the muster roll under clause (d), that a systematic record of such payments is maintained and that suitable precautions are taken to prevent double payments. *See* also paragraph 366.

(f) Wages remaining unpaid for three months should be reported to the Divisional Officer who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the subdivisional record prescribed in clause (e).

1. For action to be taken on the completion of the work, *see* paragraph 360.

(g) In Part III of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases where such work is susceptible of measurement. If the work is not susceptible of measurement a remark to this effect should be recorded.

NOTE.—It is not necessary to reproduce the details of measurement in Part III, nor need Part III be written up if progress is reported once a month or oftener in any other suitable form and such separate reports are considered sufficient.

(h) In exceptional and urgent cases, such as urgent silt-clearance of canals or closing breaches, where labourers are employed casually for short periods, payment may be made on a casual labour roll, Form 22 (P.W.D. VI-68) in which the names of the labourers need not be given, but such payments may not be made except by a gazetted officer or an upper subordinate. Nor need muster rolls in Form 21 (C. Forms Nos. 474 and 475) be used in the case of work done on requisition, Form 32 (C.F. No. 145), when the entries of daily labour are few; in such cases the particulars can be endorsed on the form of requisition.

(b) LABOUR ENGAGED THROUGH A CONTRACTOR.

292. The payment of daily labour through a contractor, instead of by muster roll in the usual way, is objectionable in principle. In a case of great emergency it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such case to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates, on the basis of work actually executed. *See* Form No. P.W.D. III-30 (d). But, if as in the case of urgent repair of canal breaches, this method of payment is not practicable, it is permissible to pay the contractor on the basis of the numbers of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in lump sum or at a percentage rate. When this course is adopted, a report of the numbers of labourers of each class employed daily should be made by the subordinate in charge of the work daily to the Subdivisional Officer in the prescribed form P.W.D. III-14 to enable the latter to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct.

1. The use of the muster roll or the measurement book (paragraph 293) is not permissible in such cases.

III.—Payments to Suppliers and Contractors.

(a) RECORD OF MEASUREMENTS.

(i) *Measurement Books.*

293. Payments for all work done otherwise than by daily labour and for all supplies, are made on the basis of measurements recorded in measurement books,

C.F. No. 298, in accordance with the rules in paragraph 292 of the Madras Public Works Department Code. The measurement books should therefore be considered as very important account records. All the books belonging to a division should be numbered serially and the pages of each book should be machine-numbered and a register of them should be maintained in Form P.W.D. VI-120, in the Divisional office showing the serial number of each book, the names of the subdivisions to which issued, the date of issue and the date of its return, so that its eventual return to the Divisional office may be watched.

NOTE 1.—A similar register should also be maintained in the Subdivisional office showing the names of the Subdivisional Officers and Sectional officers to whom measurement books are issued. Books no longer in use should be withdrawn promptly even though not completely written up.

(*a*) Such of the completed measurement books as contain measurements of the works executed by contracts, having running accounts, should be sent to the Division office for *final record*, after final bills are been paid to the contractors. Until then such books if not required for reference by Subdivisional Officers, or Section Officers, should be sent to the Division office for "*temporary records*" to be taken back when payment have to be made.

But the completed books, which contain *wholly* measurements works or supplies, for which payments are made on hand receipts or "first and final" bills, or measurements of items of works carried out departmentally, for which payments are made on nominal muster rolls, or both should be sent to the Division office for final record immediately after all bills, the measurements of which are recorded therein, have been paid.

NOTE 2.—Boat notes which take the place of measurement books in respect of materials loaded into and unloaded from boats should be treated as measurement books. This procedure is not applicable to the river conservancy subdivision, Guntur division.

NOTE 3.—In special cases of distance over 100 miles where the Executive Engineer has authorised the drivers concerned to purchase petrol or diesel oil en route—vide sub-paragraph 4 under instruction 6 in paragraph 306—the record of measurements and payments may be made by the Supervisors or other authorized Officer as early as possible after the actual purchase and payment by the drivers, such records being based on the cash bills for the purchase and on a review of the log book of the vehicle for consumption of petrol or oil and balance on hand at the time of such record.

(ii) *Detailed Measurements.*

294. In recording detail measurements, the following General instruction should be carefully observed :—

(*a*) The topmost lines under columns 1 to 4 on each page of a measurement book should invariably be filled in the field. None of the lines should be left blank. Any lines not required should be carefully scored through in order to prevent additional entries being made later on. Detailed mesurements should be recorded only by Executive, Assistant Executive, or Assistant Engineers or by executive subordinates in charge of works to whom measurement books have been supplied for the purpose.

NOTE.—1. Engineer and Engineer subordinate students undergoing their practical course may be allowed to record measurements provided they are systematically checked by one of the officers mentioned above.

NOTE 2.—Divisional storekeepers or stores clerks or the divisional head clerks in the absence of both may, in cases where there are no executive subordinates on the spot, and in special cases where the Executive Engineer considers that the exigencies of the service require it, record their measurements of stores received in measurement books.

NOTE 3.—The Wharf Superintendents at Nidadavole and Tadepalligudem in the Godavari Western Division and the Lock Superintendent at Duggirala in the Kistna Western Division are authorized to record their measurements of articles received in measurement books.

NOTE 4.—The Foremen in the Public Works Workshops, Madras, are permitted to record detailed measurements in measurement books.

The tools-keeper in the Public Works Workshops, Madras, is authorized to record in measurement books the receipt of materials in cases where their value does not exceed the amount of his security deposit.

The measurements of works in the Dowlaishwaram Workshops will ordinarily be recorded by the Foreman-Superintendent when necessity arises owing to emergency or rush of work due to closure works, etc., the Executive Engineer, Godavari Headworks Division, may permit the mechanical draughtsman and the floating plant draughtsman also to record measurements. The measurements recorded by these subordinates must be checked by the Junior Superintenden

The Boat Superintendent, Dowlaishwaram, is permitted to record in measurement books the quantities of materials received by him from time to time from the Public Works Stores, etc., for the running of the floating plant in his charge.

The Boat Superintendent and the Foreman, Vijayavada Workshops, are permitted to record measurements in measurement books subject to the condition that the measurements are checked by the Junior Superintendent of the Public Works Workshops, Vijayavada.

The outdoor Foreman, Public Works Workshops, Dowlaishwaram, is also permitted to record measurements in the measurement books under the supervision of the Junior Superintendent, Public Works Workshops, Dowlaishwaram.

The Wharf Superintendent, Madras Wharf, is authorized to record in measurement books measurements of articles received at the wharf.

NOTE.—In special cases of distance over 100 miles where the Executive Engineer has authorized the drivers concerned to purchase petrol or diesel oil en route—*vide* sub-paragraph 4 under instruction 6 in paragraph 306—the record of measurements and payments may be made by the Supervisors of other authorized Officer as early as possible after the actual purchase and payment by the drivers, such records being based on the cash bills for the purchase and on a review of the log book of the vehicle for consumption of petrol or oil and balance on hand at the time of such record.

The Mechanical Foreman, Koraput Division, and the Forwarding Officer at Sulur are permitted to record measurements in measurement books, the former for the receipt of part of mechanical plant from firms and for repairs to rollers, etc., and the latter for the articles received by him.

(*b*) All measurements should be neatly taken down in a measurement book C.F. No. 298, issued for the purpose, and nowhere else.

(*c*) Each set of measurements should commence with entries stating—

(i) In the case of bills for work done—

(*a*) full name of work as given in estimate,
(*b*) situation of work,
(*c*) name of contractor,
(*d*) number and date of his agreement,
(*e*) date of commencement of work (i.e., date on which the site was handed over),
(*f*) date of actual completion of work, and
(*g*) date of measurement.

(ii) In the case of bills for supply of materials—

(*a*) name of supplier, (*b*) number and date of his agreement or order, (*c*) purpose of supply in one of the following forms, applicable to the case :—(i) " Stock " (for all supplies for stock purposes), (ii) " Purchases " for direct issue to (here enter full name of work as given in estimate)........................ (iii) " Purchase " for (here enter full name of work as given in estimate)........ ....For issue to contractor..on ....(*d*) date of written order to commence supplies, (*e*) date of actual completion of supplies and (*f*) date of measurement..................and should end with the dated signature and designation of the person making the measurements ; *see* also paragraph 294. A suitable abstract should then be prepared which should collect, in the case of mesurements for work done, the total quantities of each distinct item of work relating to each sanctioned sub-head.

(*d*) As all payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately. He will also be responsible for the correctness of the entries in the column " Contents or area " for the measurements recorded by him. If the measurements are taken in connexion with a running contract account on which work has been previously measured, he is further responsible (1) that reference to the last set of measurements is recorded and (2) that if the entire job or contract has been completed, the date of completion is duly noted in the prescribed place—vide clause (c) above. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book and in the latter case the actual date of completion noted in the prescribed

place. The signature of the contractor or his agent should be obtained in measurement books after each set of measurements, with the addition. "I accept the measurements." In the case of illiterate men their marks should be attested by an independent witness.

(*e*) Entries should be recorded continuously in the measurement book. No blank pages may be left and no page be torn out. Any pages left blank inadvertently must be cancelled by diagonal lines, the cancellation being attested. *See* also paragraph 292 of the Madras Public Works Department Code.

(*f*) No entry may be erased. If a mistake is made, it should be corrected by the responsible officer. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialled by the officer who made the measurements. In either case the reason for cancellation should be recorded.

(*g*) Entries should, if possible, be made in ink; when this is not possible pencil entries should not be inked over. Entries in the "contents or area" column should be made in ink in the first instance.

(*h*) Each measurement book should be provided with an index which should be kept up to date.

(iii) *Standard Measurements.*

295. It is usual in the Public Works Department to maintain standard measurement books of buildings in order to facilitate the preparation of estimates for periodical repairs. Where such standard books are maintained it is also permissible to utilize them for the purpose of preparing contractors' bills for such repairs so that it may not be necessary to take detailed measurements on each occasion. The following rules for the efficient maintenance of the books have been prescribed in consultation with Accountant-General :—

2. All the standard measurement books maintained in a division should be numbered in an alpahbetical series, so as to be readily distinguished from ordinary measurement books, and a register of them maintained in the Divisional office in Form No. 92, Part II (Public Works Department IV-120.) A similar register should maintained in each subdivision showing the books belonging to it, and the registers kept under lock and key in the custody of the Divisional or the Subdivisional Officer concerned. The original standard measurement books should be kept in the personal custody of the Divisional Accountant in the Division office.

3. Certified copies of measurement books relating to works in charge of Subdivisional Officers should be sent to them to be kept in their personal custody and noted on separate pages of the subdivisional register of measurement books.

NOTE.—This need not be done when the Division office and Subdivisional office are at the same station.

4. For the use of section officers, standard measurements of each work copied on loose sheet and signed by the Executive Engineer should be sent to the Subdivisional Officers who will issue them to the section officers concerned.

NOTE.—This need not be done when the Subdivisional office and section office are at the same station.

5. When corrections are to be made owing to additions or alterations in buildings the Subdivisional Officers concerned should make the corrections in their copies of the measurement books. At the same time they should be intimated to the Executive Engineers who will have the books in their office corrected under their initials. The copies with the section officers, in which corrections have to be made, should be called for by the Subdivisional Officers, corrected under their initials and returned.

6. On the 30th April each year. Divisional Officers should send certificates to the Superintending Engineer that all the standard measurement books in their divisions have been inspected by them, that the entries therein have not been tampered with, and and that all corrections due to addition or alterations in the buildings have been made in the books and that the latter are reliable and up-to-date records.

7. When a payment has to be based on standard measurement, the gazetted officer or subordinate preparing the bill for payment should certify in the ordinary measurement book and the bill that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements in a book the number of which should be quoted, has been done and that it has not previously been billed for in any shape.

8. Separate measurement books should be set apart for noting the details of such bills so as to facilitate the review of payments based on standard measurements.

9. All Bills so paid should be specially checked in the Divisional office with reference to standard measurements on records in that office.

NOTE.—Standard measurement books may also be maintained for boats and ballacuts that require periodical repairs and the above rules are applicable to such measurement books.

(iv) *Review of Measurements.*

296. Subdivisional Officers should be required to submit the measurement books in use to the Divisional office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check by the Divisional Accountant under the supervision of the Divisional Officer. The following are the detailed rules on this subject :—

(*a*) The review conducted under these rules will be in addition to that conducted by Divisional Accountants on all final bills on running accounts and first and final bills which are received in the Divisional Office for pre-audit—*see* paragraph 286.

(*b*) A register should be maintained in the prescribed form in Subdivisional and Divisional offices for noting the progress of the receipt, review and return of measurement books. Twenty-five per cent at least of the entries in the measurement books should be reviewed each year. The arithmetical accuracy of the calculations in 50 per cent of the entries selected for review, should also be checked by the Divisional Accountant. He need not, however, personally check the arithmetical calculations, when bills come up for pre-audit—*vide* paragraph 540.

(*c*) The percentage check (referred to above) of the entries made in every measurement book in use in the division in a month should be made within the following four months. For this purpose, each Section Officer and Subdivisional Officer should make a note of the numbers and pages of the measurement books in which fresh entries are made by them every month and report these particulars direct to the Executive Engineer within the first week of the following month. From these monthly reports of Section Officers and Subdivisional Officers, the books that should be reviewed should be regularly entered in the register.

(*d*) There should be an even flow of books sent for review so that the work may not be rushed in a few months of the year.

(*e*) The books for monthly review should be received in and returned from the Divisional office on dates to be fixed by the Executive Engineer of each division.

(*f*) The review should be conducted generally with reference to the rules in this section and paragraph 292 of the Madras Public Works Department Code. It should also be seen that measurement books do not contain any entries relating to labour engaged through contractors—*vide* rule 1 to paragraph 292.

(*g*) The payments based on the entries reviewed should be traced into the various accounts and verified. Similarly, supplies or issues of materials should be traced into the materials-at-site accounts, ledger, etc., and verified.

(*h*) Every page reviewed should be initialled and dated by the Divisional Accountant with remark "Reviewed" and a corresponding entry made in the prescribed progress register. The register should also be submitted to the Executive Engineer monthly and his initials taken.

NOTE.—The review of the measurement books used by the officers and subordinates employed under the Sanitary Engineer should be made by the Manager of the Sanitary Engineer's office. A register of progress of review of measurement books should be maintained in the Deputy Sanitary Engineer's and the Sanitary Engineer's offices.

(v) *Check-measurement of Works.*

297. (1) (*a*) Subdivisional Officers should necessarily check-measure *before payment* and in proper time in the following cases :—

(i) all *final bills* on running accounts,

(ii) all first and final bills over Rs. 500, and

(iii) works (included in all kinds of bills over Rs. 25), which will not be susceptible of check-measurement after a certain stage, for example, works in channel, river or tank beds, foundations which will be covered up, etc.

(*b*) As regards other bills not pertaining to works of the kind mentioned in item (iii) in the above sub-clause, viz., (i) intermediate bills on running accounts and (ii) first and final bills over Rs. 25 and not over Rs. 500, Subdivisional Officers should check-measure a large proportion of them. If in such cases, it is not possible for the Subdivisional Officer to checkmeasure *before payment* owing to pressure of work, etc., then the reasons for not having done the checkmeasurement before payment should be recorded by him in the "remarks" column of the measurement books concerned and check measurement should be done by him *at the earliest opportunity after payment* has been made.

(*c*) The following will be *exceptions* to the above rules :—

(i) In the case of Korambu works, where the quantities of perishable materials used, such as brushwood, nanal, etc., cannot be checkmeasured after use, the section officer and the Subdivisional Officer should inspect and stay on the works for as long a period as possible, having regard to the importance of the works and certify to the satisfactory execution of the works. On such certificates, payment may be made.

(ii) In the case of first and final bills for Rs. 200 and less, pertaining to works of the kind mentioned in item (iii) in sub-clause (*a*) above, if the Subdivisional Officer could not check measure them in proper time, owing to pressure of work, etc., it is sufficient if the Subdivisional Officer enters in the measurement book the reason why check-measurement could not be done in time and certifies that he is satisfied after inspection that the work has been done. On such certificates, payment may be made.

(iii) Check-measurement is not necessary in the case of articles received by one Public Works Division from another and in the case of materials obtained from firms, departmentally for use on works, when the cost of materials purchased at a time is Rs. 500 or less:

Provided however, that check-measurement will be necessary when supplies are arranged by the Public Works Stores Division from the firms direct to the Divisions concerned.

(iv) The Assistant Engineer [Electrical Engineer (General Division)] who is in charge of Electrical Works in the mufassal, shall check-measure all first and final bills, Rs. 1,000 and over before payment and all first and final bills over Rs. 25 up to Rs. 1,000, wherever possible before payment. In the case of works which, it is not possible for the Assistant Engineer to check-measure before payment, the check-measurement should be done by him at the earliest opportunity after payment, the reasons for not having done checkmeasurement before payment being recorded by him in the "Remarks" column of the measurement books concerned.

In the case of supplies which, it is not possible for the Assistant Engineer to check measure before payment, he should satisfy himself to the extent possible at the earliest possible opportunity after payment that the supplies have been actually received and used on the works for which they were obtained and record to that effect in the concerned measurement book.

NOTE 1.—This rule does not apply to advance payments made under paragraph 313 subject to detailed mesurements. It applies to the bills in which the advance payments are adjusted after detailed measurements.

NOTE 2.—Measurements of all jungle or prickly-pear to be cleared whether the jungle is solid or in patches should be recorded by the section officer in a measurement book before clearance. The Subdivisional Officer should also check measure the works before clearance except in the case of those costing less than Rs. 50 in out of the way places, where there are no other works requiring the Subdivisional Officer's attention. In such cases the Executive Engineer of the Division concerned will decide whether the work should be checkmeasured or not.

Clearance works which cost more than Rs. 300 should be inspected by the Subdivisional Officer after clearance and before payment.

(2) In addition to check-measurement by the Subdivisional Officers, it is an important duty of Executive Engineers that they should, during their inspections, frequently check-measure works which are in progress and that they should maintain a register of such check-measurements. The number of check-measurements by Executive Engineers should be at least 24 per annum.

(3) The fact of check-measurement by the Subdivisional Officer or the Executive Engineer should invariably be noted in the measurement book at the time of check-measurement and the items check-measured should be indicated by the initials of the checking officer, which should be placed on the left side of the column "particulars" in line with item check-measured.

(4) The object of check-measurement is to detect errors in measurement and to prevent fraudulent entries. Check-measurement should therefore be conducted with discretion and method, those items being selected which appear obviously incorrect or which would be most easily susceptible of fraud or which would most seriously affect the total amount of the bill if inaccurate.

(5) The entry "measured in my presence" by a Subdivisional Officer cannot be accepted as check-measurement. When measurements are taken jointly by officers or subordinates, the measurements should always be recorded and signed by the senior.

(6) In the case of works such as breach closing executed by the ryots of a place, estimates are usually prepared and sanctioned after taking measurements of the work done and after verifying the same with the claims of the ryots for each item of work. There is, therefore, no necessity to measure or checkmeasure the work further.

(7) Superintending Engineers should make it a special point to see that these rules are duly observed.

NOTE.—In the Sanitary Engineering Branch where there are no Subdivisional Officers, check-measurement required of Subdivisional Officers under the above paragraph will be carried out by Executive Engineers (Public Health), subject to the proviso that the money limit of Rs. 25 prescribed in (1) (*a*) (iii) and (1) (*b*) (ii) above shall be Rs. 200 in the case of Executive Engineers (Public Health).

(*b*) BILLS AND VOUCHERS.

(i) *Forms of Bills and Vouchers.*

298. The authorized forms of bills and vouchers are the following :—

(*a*) First and final bills—Form 24 (P.W.D. VI-69).

(*b*) Running account bill A—Form 25 (P.W.D. VI-70).

(*c*) Running account bill C—Form 27 (P.W.D. VI-74).

(*d*) Lump-sum contract bill—Forms 27-A and 27-B [P.W.D. VI-75 (*a*) and 75 (*b*) respectively.]

(*e*) Hand receipt—Form 28 (C.F. 476).

The use of the forms is explained in the following paragraphs and a few explanatory footnotes are printed on the forms.

299. *First and final bill.—Form* 24 (*P.W.D. VI*-69).—This form should be used for making payments both to contractors for work and to supplies, when a single payment is made for a job or contract, i.e., on its completion. A single form may be

used for making payments to several payees, if they relate to the same work (or to the same head of account in the case of supplies) and are billed for at the same time.

300. *Running account bill A—Form* 25 (*P.W.D. VI*-70).—This form is intended for contract for work only, executed on the piece-work system. It should be used—

(1) If it is proposed to make an advance payment under paragraph 197, Madras Public Works Department Code, or paragraph 313 of this Code, or

(2) if on an account payment is to be made but an advance payment already made for the same work is outstanding.

301. *Deleted.*

302. *Running account bill C—Form* 27 (*P.W.D VI*-74).—This form is used both for contracts for work executed on the piece-work system and for contracts for supplies. It is intended to be used for contracts for work when only on account payments are made. It is not to be used if an advance payment is to be made or if an advance payment in respect of the work is outstanding against the contractor.

303. The forms of bills used for payment in connexion with contracts based on the lump sum tender system as defined in the Madras detailed Standard Specifications are Forms P.W.D. VI-75 (*a*) and 75 (*b*).

P.W.D. Form VI-75 (*a*) is intended for intermediate payments which may be made to the contractor in accordance with his contract. No details of work done need be given in the case of item 3 of Part I.—" Account of work " in this bill form. Details of measurements should, however, be given in the case of items 1 and 2 of this part of the bill form and reference should also be given to the numbers and pages of the measurement books in which the masurement are recorded. *P.W.D. Form VI*-75 (*b*) is intended for final payment made to a contractor. The details of items (ii) to (v) alone in Part I— " Account of work executed " of this bill form should be given. For the rest, the certificate prescribed in the bill form itself is sufficient. As a further precaution, the contractor should be required to add to his acknowledgment in his own handwriting a statement that he has received the payment *in full settlement of all demands.*

NOTE.—The form of final bill is printed on yellow paper to distinguish it from that of the intermediate bill. *See* note under paragraph 312 (*b*).

303-A. The rules in sections E and F of Chapter X regarding the maintenance of works abstracts and register of works apply *mutatis mutandis* to the accounts of lump-sum contracts. In the case of major estimates, the expenditure need not, however, be booked by sub heads of work (*see* paragraph 346 *et seq*) if all the charges represent nothing but payments on a lump-sum contract.

303-B. All " intermediate payments " made to the contractor and so acknowledged by him are regarded as advances made to him on account of the work concerned, and are brought to account in accordance with paragraph 303-C and 303-D below.

303-C. Payments for the measured-up items as well as for the items for which no detailed measurements are necessary are treated like *advance* payments and should be brought to account in the works accounts under the Suspense head " Contractor's Advance Payments." This will not only simplify accounting but will facilitate a watch over the prompt adjustment of the payments made.

NOTE.—As a percentage of the value of work done is withheld as security for the due fulfilment of the terms of the contract, the net amount remaining after the deduction of the portion withheld should be entered as the advance payment.

303-D. Payments other than those specified in paragraph 303-C above may be other recoverable payments, including the value of material supplied, which may have been made to the contractor or to others on his behalf. These should be entered in the accounts under the suspense head " Contractors—Other transactions."

303-E. From the final bill paid to the contractor (Form 27-B), the total advances made to him in the running account bills (Form 27-A) or other recoverable payments will be deducted by short payment from the total value of work done, and the recoveries so made will be shown as *minus* figures under the suspense heads concerned, in which the *plus* figures will already be outstanding.

303-F. Accounts of the transactions relating to lump-sum contracts should be maintained in the contractors' ledger, Form 43 (P.W.D. VI-91) in the manner described in section "G" of Chapter X, subject to the following subsidiary instruction.

303-G. As all "intermediate payments" made on Form 27-A are regarded as advances, no figure therefrom will be posted in column 8, which is intended to show the amount creditable to contractors' account on account of the value of work done. The first and last entry which will appear in this column will be the figure "F" given in Part I of the final bill Form 27-B. Column 9 need not be posted at all.

303-H. Figures for posting the other columns 4, 5 and 7 are indicated in the bills (Forms 27-A and 27-B) by the same distinguishing letters D, G and H respectively, which have been used to denote the corresponding entries in the ordinary bill Forms 25, 26 and 27.

304. The form of bill to be used on each occasion should be the one most suitable for the correct exhibition of the state of the contractor's running account both before and after the transaction, regardless of the form or forms which may have been used for any previous payment or advance—*see* also paragraph 313.

305. *Hand receipt.—Form* 28 (*C.F.* 478.)—This is a simple form of voucher intended to be used for all miscellaneous payments and advances, for which none of the special Forms 24, 25 and 27 (P.W.D. VI-69, 70 and 74 respectively) is suitable.

(ii) *Preparation, Examination and Payment of Bills.*

306. Before the bill of a contractor is prepared, the entries in the measurement book relating to the description and quantities of work or supplies should be scrutinized by the Subdivisional Officer and the calculations of "contents or area" should be checked arithmetically under his supervision. He need not work out personally all "contents" or "area" but he is responsible for the correctness of those entries. The rates allowed should be entered by the Subdivisional Officer in the abstract of measurements, vide paragraph 294 (*c*). The bill should then be prepared, from the measurement entries, in one of the forms prescribed in paragraphs 298 to 305 applicable to the case. Full rates as per agreement, catalogue, indent or other order should be allowed only if the quality of work done or supplies made is up to the stipulated specifiation. When the work or supplies fall short of that standard, and under the agreement, it is permissible to make a final payment if the contract is determined, or on an account payment if the contract is to run on only such a fraction of the full rate should be allowed as is considered reasonable, with due regard to the work remaining to be done and the general terms of the agreement.

1. By a general or special order in writing, the Subdivisional Officer may permit an executive subordinate, who has already been authorized to record measurements [paragraph 294 (*a*)], to enter, in the abstract of measurements or directly in the bill iteslf, the rates at which he recommends the payment for work done to be made, provided—

(*a*) that the use of this permission is confined to those works in charge of the subordinate himself, the contract rates for which have already been approved by a competent authority;

(*b*) that no increase in an authorized rate is suggested without the prior sanction in writing of the competent authority;

(*c*) that when the authorized rate has not been fully earned, a suitable reduction is made therein and the reasons thereof are recorded briefly for the consideration of the Subdivisioanl Officer; and

(*d*) that it is made widely known to contractors that all entries of rates made by subordinates in the abstracts of measurements and bills are subject to the approval of the proper disbursing officer.

2. The contract agreement or written order in the case of petty works should always specify the rates to be paid for the several classes of work or supply and should not refer to the estimated rates. The fact that a revised estimate has been sanctioned is no authority whatever for the payment of rates other than those provided in approved agreements.

3. Unforeseen items of work provided for by a lump-sum provision in an estimate, should be paid for only after actual measurement. The agreement should have a clause to this effect.

4. The revision of rates after work is carried out is entirely inadmissible.

5. As a general rule, payment for supplies is not permissible until stores have been received and surveyed, and provision for the observance of this rule should be made in all contracts for the supply of goods. In cases in which the operation of this rule might result in hardship, as for example, when costly stores are ordered from a distant firm and delay in payment is anticipated, an advance not exceeding 75 per cent of the value of the consignment despatched may be paid to the firm on the receipt of the railway receipt of despatch, provided the firm is one approved by the Government and it is distinctly made clear in the agreement or otherwise that the payment is only of the nature of an advance. The amount should be debited to "Miscellaneous advances" and the Audit officer will place it under objection pending receipt of a bill based on actual measurements, adjusting the amount advanced.

6. In special cases, however, where the Executive Engineers consider that the exigencies of service require it, store-keepers may be required to prepare petty bills connected with stores, such as bills for bandy hire, bills for coolies for handling stores, stock, etc., bills for repairs to tents, office furniture and the like and in these cases the bills or the nominal muster rolls should invariably be checked by either the Subdivisional Officer or the Executive Engineer before payment is made on them. In no case should disbursements of public money be entrusted to store-keepers and store clerks except with the special sanction of Government.

The Store-keeper of the Kistna Central division is permitted to make payments, from an imprest given to him by the Executive Engineer, on nominal muster roll below Rs. 25 passed by the Subdivisional Officer or the Executive Engineer and on petty bills for conveyance of materials, etc., below the same amount and to pay railway freight charges below Rs. 10.

The Store-keeper of the Godavari Headworks division is permitted to purchase petty articles and make payments therefor without pre-audit to the extent of Rs. 15 (fifteen) a month from an imprest given to him by the Executive Engineer.

In special cases of distance over 100 miles where replenishment of petrol or diesel oil en-route cannot be avoided, the Executive Engineer concerned may authorize the opening of a suitable temporary imprest with the drivers of the lorries or other vehicles as the case may be and permit them en-route to purchase petrol or diesel oil to the extent required in each case.

307. Before signing the bill, the Subdivisional Officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts, being shown therein. If the Subdivisional Officer is empowered to pay the bill, he should then record a formal pay order specifying, both in words and figures, only the net amount payable, though the payee should be required to acknowledge in his acquittance the gross amount payable inclusive of the recoveries made from the bill.

1. The value of each item of work in bills should be calculated to the nearest anna, i.e., fractions below half an anna should be omitted and fraction of half an anna and over should be reckoned as one anna; but pies should not be omitted from the rates.

2. When the totals of contractor's bills or the amounts chargeable to each estimate in the case of works or supplies to be charged to more than one estimate, are not less than Rs. 25, fractions less than half a rupee should be disregarded and fraction of half a rupee and over taken as one rupee.

3. If the contract is for the completed items of work and, under the provisions of paragraph 327, the contractor is required to obtain materials of any description from Government, it should be seen that this condition is being complied with and that necessary recoveries of the cost of

the materials supplied to him, are being made in accordance with paragraph 331. In such a case it is not permissible for the contractor to obtain the materials otherwise, unless, in a case of emergency, the supply has been entrusted by the Divisional Officer, for recorded reasons, to the contractor himself, at suitable rates.

4. Before signing a first and final bill, or the first bill on a running account, the Subdivisional Officer should see that the relevant measurement entries were marked as pertaining to such bills by the person taking the measurements—*vide* paragraph 294 (*d*).

5. Subdivisional Officers should observe carefully the rules in paragraph 284 of the Madras Public Works Department Code, regarding the check measurement of works in the case of first and final bills and running account bills in excess of Rs. 500. *See* also paragraph 297 above.

6. Work done in March shall be measured and paid for in the same way as work done in any other month, i.e., it should be ordinarily not paid for till April. Work completed in the early part of March may, however, be measured and paid for before the end of the month, if that would be the normal course in other months.

308. (*a*) If the Subdivisional Officer is not empowered to make the payment, the bill should be submitted with the measurement book to the Divisional office when the payment will be authorized by the Divisional Officer after the necessary scrutiny. *See* also paragraph 286.

(*b*) In the case of materials received from firms in India by a Subdivisional Officer, on orders placed by the Executive Engineer, the following procedure should be observed :—

A register in Form P.W.D. VI-11 (*a*) should be maintained in the Executive Engineer's office to watch the disposal, from start to finish, of all indents for stores placed by him on firms in India. A sufficient number of pages of this register should be allotted for the orders placed on account of each subdivision all such orders being noted as they are issued in columns 1 to 3 of the register.

The firms should be required to send in their bills along with the consignments *direct* to the officer supplied. The latter should make the necessary entries in a measurement book as soon as the stores are received, and should then pass on the measurement book and the bill to the Executive Engineer for pre-audit giving a reference to the measurement book in the bill and *vice versa*. The Executive Engineer should check the bill against the original indent and the agreed quotations, if any, and also with the entries in the measurement book, have the necessary entries made in the register prescribed for the purpose, pass the bill scoring out the entries in the measurement book, and return the bill with the measurement book to the Subdivisional Officer. The Subdivisional Officer should then pay the bill and note the fact in the measurement book.

309. From the measurement books, all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for work or supplies measured a remark to the effect "Bill submitted to the $\frac{\text{Subdivisional Officer}}{\text{Executive Engineer}}$ on " should be endorsed on the abstract of measurements. The officer who signs the pay-order should immediately on signing it, cross out every page containing the detailed measurements of the work or supplies paid for by a diagonal red-ink line. The officer who actually disburses the amount should enter the number and date of the voucher of payment with the remark "Paid on by voucher No. " on the abstract of measurements.

1. The document on which payment is made should invariably show in the space provided for the purpose the number and page of the measurement book in which the detailed measurements are recorded, and the date on which the measurement was made.

310. Payments should not be made for bricks at a supplier's private kiln until they are handed over to the charge of the Public Works Department Officers.

311. To ensure the proper performance of the duties imposed on the Divisional Accountant under paragraph 539, *et seq.*, he should have no hand either in preparing the bills of contractors or suppliers or in making cash payments to the latter, as such duties will impair his usefulness as examiner of claims and payments.

311-A. Contractors who are able to prepare their own bills should be supplied with Forms 24, 25, 27, 27-A and 27-B [P.W.D. VI 69, 70, 74, 75 (*a*) and 75 (*b*), respectively], and loose measurement sheets for recording measurements for their information, in support of the quantities entered in the bills. The Public Works Department Officers and subordinates should however, record measurements independently wherever necessary in their Measurement Books—*vide* paragraphs 293 and 294. The contractor's bills, when presented, should be checked by the subordinate in charge of the work with the measurements recorded by him in his Measurement Books and check-measured by the Subdivisional Officer before payments are made. *See* paragraph 294 of the Madras Public Works Department Code.

312. (*a*) Payments for work done or supplies made in a running account on bill forms P.W.D. VI-70 and 74 should ordinarily be made monthly. Both the "quantities" and "amount" of each distinct item of work or supply should be shown separately in the bill except (i) in the case of advance payments made under paragraph 313 (*b*) when quantities need not be specified, (ii) in the case of completed items or sub-works, the full details of which were included in previous bills, and (iii) in the case of such of the incomplete items or sub-works as remain unaffected since previous bill.

In respect of items (ii) and (iii) above, it is sufficient if the amounts paid on earlier bills are shown in the subsequent bills, reference being given therein to the item numbers of the previous intermediate bills and the pages of the measurement book, in which full details were recorded. Full details (names, quantities, rates and amounts) should, however, be shown in the final bill for all sub-works and items.

(*b*) Such payments should be treated as payments on account, subject to adjustment in the final bill which should be drawn, in the appropriate form but printed on yellow paper, when the work or supply is completed or the running account is to be closed for other reasons. When a final payment is made on a running account, the payee, if he is able to write, should add in his own handwriting that the payment is "in full settlement of all demands—" If the payee is illiterate, or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

1. If the contractor refuses to give an acknowledgment to the effect that the payment made to him was in full settlement of all demands, it is not necessary to insist on obtaining a qualified acknowledgment (*vide* section 38 of the Indian Contract Act, 1872).

NOTE 1.—A form printed on yellow paper is never to be used except for final payments.

NOTE 2.—Payment of any amount after the contractor has accepted final payment in settlement of all demands requires the special sanction of Government with the exception that disbursing officers are not precluded from entertaining a *bona fide* claim, which was omitted from the bill by mistake or through inadvertence and paying it without the sanction of Government.

(*c*) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimate should not be brought on to the same running account; they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimate, for which separate works abstracts are prepared under paragraph 348, should also appear in separate running accounts.

1. In exceptional cases where more than one working estimate is covered by a single contract, the contract agreement should not be split up but the estimates should be consolidated to facilitate the maintenance of proper accounts in respect of that contract. If this procedure cannot be observed, some special accounts procedure should be devised on the merits of each case by the Accountant-General. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relate to different account heads or where separate estimates whether relating to different account heads or not, are covered by a single running rate contract as in the case of the painting of roads, etc., and where separate agreements are drawn up on the basis of such rate contracts with other details varied to suit the requirements of each job.

313. (*a*) If the system of making advance payments to contractors for a work executed under the piecework system has been adopted, certificate 2 printed on Running Account Bill A. Form 25 (P.W.D. VI-70) must be signed by the Subdivisional or Divisional Officer, and the lump-sum amount paid on account of each item should be specified against it in Part I of the Bill.

NOTE.—In the case of the Public Works Workshops, Madras, the certificate prescribed above may be given by the General Foreman or the Assistant Superintendent of the Workshops.

(*b*) (1) An advance payment for work actually executed may be made on the certificate of a responsible officer (not below the rank of Subdivisional Officer) to the effect that not less than the quantity of work paid for has actually been done and the officer granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence.

(2) A description of the stage to which the work has reached, e.g., " superstructure completed, half-roof-timbering fixed " should be recorded on each bill.

(3) The advance payments made previously on such bills should be recorded on each bill. Detailed measurements should be taken at various stages of the work at the discretion of the Subdivisional Officer or the Executive Engineer and a bill based on such detailed measurements should be prepared and all amounts paid for works not measured in detail should be adjusted from such bills.

(4) Not more than two consecutive bills may be paid without detailed measurements, and whenever Rs. 5,000 or 25 per cent of the estimate, whichever is less, has been paid on such bills, detailed measurements must be taken and the advance payments cleared. In no case should final payments be made without detailed measurements.

NOTE.—The job works in the Public Works Workshops, Madras, are, however, exempt from the operation of this rule, and the General Superintendent is empowered to make advance payments up to the full amount of the agreement.

(5) The system should be extended only in the case of works executed by contracts of standing approved by the Executive Engineer.

(6) These rules should not be applied to works the measurements of which should not be postponed, such as earth-work, work in tank-beds.

314. *Deleted.*

(*c*) AID TO CONTRACTORS.

315. It is necessary sometimes, in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned, with a view to complete work which he had neglected or failed to complete. Insuch a case, it is permissible to spend Government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor, nor should financial aid be given to him in any form, except in accordance with paragraph 197 of the Madras Public Works Department Code.

1. For rules relating to the issue of materials to contractors, *see* paragraphs 327 and 328.

2. With a view to avoid subsequent disputes with the contractor, suitable intimation should be sent to him (1) as soon as action is taken under this paragraph, and (2) subsequently, as charges are incurred on his account.

IV.—Payments to work-charged establishments.

(*a*) CONDITIONS OF EMPLOYMENT.

316. Rules for the entertainment of work-charged establishment are laid down in paragraphs 58 and 59 of the Madras Public Works Department Code.

(b) PAY BILLS.

317. Wages of members of the work-charged establishment should be drawn and paid on Form 29 (P.W.D. VI-77 and 78), " Pay Bill of Work-charged Establishment," which is a combined pay bill and acquittance roll form. A consolidated bill in this form should be prepared monthly either for the whole subdivision or for one or more sections of it, as may be convenient; but the names and claims of the entire establishment concerned, including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the men are employed, sanction to the entertainment of the establishment should be quoted in each case, and the Subdivisional Officer should certifiy, in the space provided for the purpose, that the men were on duty during the period shown against their names, each man being employed on the work and on the duties for which his appointment was sanctioned.

1. Deductions on account of fines, income-tax, etc., should be shown by special entries against the names concerned.

2. If the acknowledgment of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hard receipt, Form 28 (P.W.D. VI-76), which should then be attached to the bill as a sub-voucher.

(c) UNPAID WAGES.

318. Wages remaining unpaid on a passed bill, on the date fixed for the closing of the accounts of the month, may be paid subsequently when claimed, the procedure described below being observed :—

(a) Items remaining unpaid on the monthly bill should be entered in a simple register, full particulars of the charge, including reference to the bill, being noted in the register.

(b) Subsequent payments should be made on Hand Receipts, Form 28 (C.F. No. 476) reference to the bill in which the charge was originally included, and to the particular item thereof, being quoted in each case.

(c) When making payments of arrears suitable notes of payment should be recorded against the original entries in the register.

(d) TRAVELLING EXPENSES.

319. No bills need be prepared in support of claims for travelling expenses. Payments should be made on Hand Receipts, Form 28 (C.F. No. 476), which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the Divisional Officer prior to payment.

(e) CLASSIFICATION OF CHARGE.

320. Every payment made to a member of the work-charged establishment, whether on account of his wages or in recoupment of actual travelling expenses, should be charged to the work on which he is employed. The travelling allowance, incurred in connection with journeys performed by lascars of work-charged establishment when they are sent to treasuries for encashment of cheques or for remittance of moneys from one office to another will, however, be debited to the contingencies of the respective subdivision or division to which the subordinates are attached.

C.—MATERIALS.

I—General.

321. Issues of materials to works, whether from stock or by purchase, transfer or manufacture, are divided into two classes :—

(1) *Issues to contractors.*—Issues of materials to contractors with whom agreements in respect of completed items of works. i.e., for both labour and materials, have been entered into.

(2) *Issues directed to works.*—Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

II.—Account of Materials-at-site.

(i) MAJOR WORKS.

322. In the case of major works in which transactions relating to the materials-at-site are not likely to be heavy, an account in Form P.W.D. VI-83 should be maintained of all departmental materials brought on to the site of a work from any of the sources mentioned in the preceding paragraph, showing the sources and quantities of all receipts and of their issues to the work as the transactions occur. This account should be kept both by quantities and values in the case of works whose accounts are kept by sub-heads, and only by quantities in other cases.

In the case of big schemes, such as water-supply and drainage works and other major works in which the transactions relating to materials-at-site are likely to be heavy, the following procedure should be observed. An annual register in Form P.W.D. VI-83 B should be maintained in the Division and Subdivision offices and Section offices giving a continuous record of the receipts, issues and balances of all materials for a particular work for all the months of a year and a monthly return in Form P.W.D. VI-83 A in duplicate should be prepared by the Section Officer showing only those items of materials in which there are receipts and issues in a month and sent to the Subdivision office. One copy of the return will be retained in the subdivision for posting the annual register maintained therein and the other copy sent to the Division office for similar action. In the case of big works to which more than one Section Office is attached, the section statements will be consolidated in the subdivision and the conslidated return sent to the Division office, so that the annual register may be posted up to date.

(ii) MINOR WORKS AND REPAIRS.

A numerical account of materials-at-site of works should be maintained by the Section Officer and the Subdivisional Officer in charge of a work in the form of annual register in Form P.W.D. VI-83 C giving a continuous record of the receipts, issues and balances of all materials for the work for all the months of a year. A monthly return in Form P.W.D. VI-83 D *showing only those items of materials in which there are receipt and issues on a work in a month*, should be submitted by each Section Officer, to the Subdivision office for scrutiny and necessary action. At the end of each year or on the completion of a work or in the event of the charge of the work passing from one subordinate to another, *the monthly return should however exhibit the closing balances of all materials-at-site of the work.* Each Subdivisional Officer should forward to the Executive Engineer monthly a certificate to the effect that he has obtained from his Section Officers the accounts of materials-at-site of all minor works and repairs and scrutinized them—vide paragraph 534 (*f*) of this Code.

The forms mentioned under the heads (*i*) and (*ii*) above provide also for the record of the estimated quantities in all cases and the value of materials in the case of major works only, so that, in the case of works executed departmentally and also in cases where any or all the items of contract are for labour, both the acquisition and the actual use of materials can be controlled with reference to the estimated requirements. In the case of works executed by contract, however, the record of estimated requirement of materials applies only to the materials, the supply of which is retained in the hands of Government. It is important that the estimated requirements should be duly corrected whenever a revision of the original estimate renders it necessary, and a note should be recorded at the foot of the account that this has been done.

NOTE.—Materials belonging to a contractor should never be mixed up with departmental materials. Form VI-83 is intended to account for departmental materials alone.

323. All departmental materials brought on to the site of a work for use on that work, from any of the following sources, should be entered as receipts in the "materials-at-site accounts " immediately on their receipts giving a brief reference to the measurement book or in the case of receipts from stock to the invoice, in Form No. 7 (P.W.D. VI-11) or to the register of stock issued in Form No. 8 (P.W.D. VI-4) in cases governed by the last sentence of paragraph 187 :—

(1) Suppliers,

(2) Stores Department, London,

(3) Stock or manufacture,

(4) Other works, and

(5) Other divisions and departments.

NOTE.—Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as *minus* receipts in the same when they are transferred to stock or to another work, etc.

1. It is important as far as possible, materials should be obtained only when actually required and to the extent of actual requirements—vide also note under paragraph 307 of the Madras Public Works Department Code.

2. All petty items, the aggregate of which comes under Rs. 100, may be lumped together under a single head " Petty items " in the materials-at-site accounts, only the value being shown.

324. When the materials are obtained by purchase, it is important that full details of the articles received should at once be entered in a measurement book, Common Form No. 298, in the manner prescribed in paragraph 294 (*c*). See also paragraphs 185 and 186.

325. In all cases materials issued direct to a work should, as soon as received, be brought into account as indicated below :—

Source of receipt of materials.	Head of account.	Value to be credited.	Mode of effecting adjustment of cost.
(1) Stock (including manufacture).	Stock	At issue rates plus storage charges.	Through stock accounts at the end of the month.
(2) Transfer from another work.	Work concerned ..	At a valuation under paragraph 336 (*d*).	By a special transfer entry in Form No. 53 (P.W.D. VI-10) prepared as soon as the materials are received.
(3) Transfer from another division or department.	Purchases ..	At rates charged by the division or department concerned.	Do.
(4) Supplies	Do. ..	At rates payable to the suppliers under their contracts.	Do.
(5) Obtained through the Stores Department, London.	London stores ..	The English cost—vide paragraph 429 et seq.	Do.
(6) Indian charges on item (5).	Head concerned ..	Actual charges incurred—vide paragraphs 431 and 432.	Through cash account or transfer entry as the case may be.

The full value credited to the head concerned should be debited to the work (paragraph 335) and also entered in the " materials-at-site " accounts in cases in which the works accounts are maintained by sub-heads.

326. The cost of materials brought to the site of a work is debited to the suspense head " materials-at-site " in the works accounts or is treated as a final charge according as it is a work for which detailed accounts by sub-heads are kept or not.

III.—Issue to Contractors.

(a) General Conditions.

327. (a) The issue of materials to contractors executing works is generally permissible only in the following circumstances :—

(i) When it is decided to retain in the hands of Government the supply to the contractor of imported materials ;

(ii) when, in the interest of work, or with the object of utilizing existing stocks of materials, it is desirable to retain in the hands of Government the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(b) In both cases the contract should specify (1) the materials to be supplied by Government for use on the work, (2) the place or places of delivery and (3) the rates (including the storage rates when the materials are to be issued from stock) to be charged to the contractor for each description of material ; and the contractor should be held responsible for obtaining from Government all such materials required for the work and for making payment therefor, by deduction from his bills, at the rates specified, regardless of fluctuations in the market rates or in the stock rates of the division. In cases where the value of materials (purchased by Government or drawn from Government stock) issued to a contractor or piece-worker is not covered by the work done by him or by payment in cash it is important that Government should be secured from any possible loss resulting from any failure on the part of the contractor or pieceworker. Clauses 25 and 26 of the Preliminary Specification of the Madras Detailed Standard Specifications provide for such security and in the case of agreements with pieceworkers on the K-2 Form, similar provisions should be embodied—see also paragraph 150 of the Madras Public Works Department Code.

1. The rates (including the storage rates when the materials are to be issued from stock) to be charged to the contractor for materials to be supplied should be definitely specified, vague quotations, e.g., " at stock rates", being avoided ; and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption then that rate should be adhered to in the contract.

2. Similarly the rates to be allowed to the contractor for items of work should be definitely stated.

(c) No carriage or incidental charges are borne by Government for moving the materials beyond the place where the contractor has agreed to take delivery thereof.

(d) No sales tax need be levied on the cost of materials supplied to contractors and actually used on the works under the provisions contained in this paragraph.

328. (a) As a general rule no other materials should be supplied to such contractors for use on works, but this restriction may be waived by the Subdivisional Officer in respect of petty issues (at full Issue Rates) of materials from existing stocks, not exceeding Rs. 50 in any month for any one contract.

(b) If at any time subsequent to the execution of a contract on a through rate basis, the contractor desires the issue to him, for use on a work of materials which exist in Government stocks but the supply whereof by Government was not provided for in the contract, the materials should not be issued except with the express authority of the Divisional Officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate charged should be the market rate prevailing at the time of the supply or the Issue Rate, whichever may be greater, and should include the storage charges and no carriage or incidental charges should be borne by Government in connexion with the supply.

1. The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by the rule in paragraph 197 of the Madras Public Works Department Code—vide paragraph 315 of this Code.

(c) Issues of stock materials to contractors for *bona fide* use on works are exempt from the usual charge of 10 per cent on account of supervision, which is made when stock materials are sold to the public [paragraph 331 (*a*) of the Madras Public Works Department Code].

(*d*) The issue of materials to contractors under the provision in this paragraph is not exempted from the usual levy of sales tax.

(*b*) Accounts Procedure.

329. All materials required for issue to a contractor under any of the provisions of paragraphs 327 and 328 should be made over to him, as soon after their receipt as possible, but not far in advance of their requirement for actual use on the work, and an unstamped but dated acknowledgment detailing full particulars of the materials, the rates and values chargeable to him should at once be taken from the contractor. The issue of materials should simultaneously be entered in the issue account of Form No. VI-83.

330. On the authority of the contractor's acknowledgment, the cost chargeable to him under paragraph 327 or 328, as the case may be, should be debited at once to his personal account by charge to the suspense head "Contractors—Other transactions" in the works accounts, and credited to the suspense head "Materials-at-site" by being posted in the "Issue" column, or where this suspense head is not maintained as in the case of minor estimates as a *minus* debit to the final head. See paragraph 366. If the amount charged to the contractor's account differs from that originally debited or debitable to the suspense head "Materials-at-site," for the materials then, only the latter amount should be credited to the head "Materials-at-site" in the works and site accounts, the difference being treated as additional final outlay under a separate sub-head "Additional charges for materials issued to contractors," *plus* or *minus* according as the amount charged to the contractor is less or more than the cost originally debited to the "Materials-at-site." This is necessary in order to be able to balance the sub-head "Materials-at-site." See paragraph 351.

1. The object of this rule is to ensure that the full amount chargeable to the contractor is debited to his account as soon as the materials are delivered, so that (1) he may not receive payment, at full rates, for the completed items of works prior to the value of Government materials used by him therein, being c arged to his account or (2) his final bill for work done may not be settled before the full value of materials recoverable from him have been debited to his account.

It is for this purpose that the debit to the contractor's account is required to be made in the above paragraph as soon as the materials are delivered to him, by credit to the suspense head "Materials-at-site" in the works account of the final head in the case of minor estimates, although the actual cost of the materials may not have been paid or adjusted by Government at that time—vide paragraph 325.

331. The recovery from a contractor on account of the cost of materials issued to him for use on a work should ordinarily be made by deduction from the first bill authorizing an advance payment or an on account payment to him for the work. Should, however, a lump sum recovery be undesirable in any case, the Divisional Officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work in which they are used are paid for whether by an advance payment or by an on account payment.

332. As the issue of materials to contractors under the foregoing rules is permissible solely for the *bona fide* requirements of Government works, Subdivisional Officers should make such arrangements as may be deemed suitable for limiting the total issues to a contractor in connexion with a particular work, to the reasonable needs of that work. This precaution is particularly necessary when the rates at whic any materials are issued under paragraph 327 are lower than the prevailing market

rates, or the latter are expected to rise appreciably. It can be watched that gregate of the quantities of any or all materials issued to a contractor from time to time, for use on a work, is within the estimated requirements of the contract by means of the Materials-at-site account form, if the top portion of the form is filled up—vide paragraph 322.

(c) RETURN OF SURPLUS MATERIALS BY CONTRACTORS.

333. Government does not undertake to take over from contractors, whether before or after the completion of determination of contracts, surplus materials which were originally procured by the contractors for themselves or were issued to them and charged to their accounts under paragraph 329. Such materials are the property of the contractors and can be taken over by Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the materials were originally supplied by Government the price allowed to the contractor on re-acquisition should not exceed the amount charged to the contractor excluding the storage charges, if any.

1. Contractors are, however, not at liberty to remove from site of works without the written permission of the Divisional Officer materials which have been issued to them for use on a work, and a stipulation should be provided for as in clause " 26 of the Preliminary Specification of the Madras Detailed Standard Specifications in piecework agreements, in cases where Government materials are to be supplied to piece-workers."

(d) TOOLS AND PLANT LENT FOR USE.

334. The rules in paragraphs 322 to 333 do not apply to tools and plant. Articles borne on the tools and plant account of the division may, in accordance with paragraph 340 of the Madras Public Works Department Code, be let temporarily on hire to contractors for use on Government works. See also paragraphs 223 and 226.

IV.—Issue to direct works.

(a) DETAILED ACCOUNTS.

335. (a) In the case of Minor estimates, the cost of materials brought to site is charged finally to the work there being no sub-head " Materials-at-site " in the works accounts. No further adjustment is necessary when materials are actually used up on the work. The detailed control over unused material can be exercised by means of the numerical account in the " Materials-at-site " accounts in Forms VI-83 C and 83 D—vide paragraph 322.

(b) In the case of Major estimates, which have the suspense head " Materials-at-site " in the works accounts, the value of materials as they are issued, should be posted day after day in the " Issue " accounts in Form VI-83, grouped according to the sub-heads of issue. At the end of each month, the total of the issues under each sub-head should be charged under the respective sub-head of the Works Abstract, by credit to the suspense head " Materials-at-site."

NOTE.—Materials already brought on to the site of work and accounted for as receipts in the site accounts, should be shown as *minus* receipts in the same when they are transferred to stock or to another work, etc.

(b) DISPOSAL OF SURPLUS DEPARTMENTAL MATERIALS.

336. (a) **Materials-at-site of works in excess of requirements may be transferred to other works on which they are required or to stock provided that they are serviceable and certain to be required.**

(b) All surplus materials-at-site of works transferred to works in progress o brought on to the stock account in accordance with paragraph 335 of the Madras

Public Works Department Code should have their value credited to the work concerned and debited to the work to which they are transferred or to the stock account, as the case may be.

(*c*) A list of surplus materials not disposed of under clauses (*a*) and (*b*) above should be maintained in the subdivisional and divisional offices as a supplement to the half-yearly stock return unless the Superintending Engineer considers this unnecessary.

(*d*) Materials returned to store or transferred to other works should be priced within current market rates, any resultant loss being borne by the work to which they were orginally issued and the disposal of materials being shown in the materials-at-site accounts also.

(*e*) The loss by the disposal of surplus materials at less than the book value, vide paragraph 432 (*c*) (i) of the Madras Public Works Department Code, should be debited to the work for which the stores were originally purchased.

1. These rules do not apply to surplus materials which were originally procured by contractors for themselves or were issued to them and charged off to their accounts under paragraph 329. See paragraph 333.

V.—Verification of unused balances.

337. Unused balances of materials-at-site should be verified at least once a year in the manner prescribed in paragraph 325 of the Madras Public Works Department Code. Whenever this verification is made, a report of verification of the materials should be prepared by the Subdivisional Officer in Form VI-83 itself and submitted to the divivisional officer. The following instructions should be observed in preparing the report :—

(*a*) The closing balance (total of receipts and balances *minus* the total issues up to end of the month) should be entered against line V in the form and the differences, if any, between this balance and the actual balance as verified against line D.

(*b*) The quantities of principal items of materials probably used in work should be noted against line E. These soould be calculated on the basis of the "progress" of work done on each sub-head as worked out in a separate statement in Form VI-85.

(*c*) Deducting these quantities from the total quantities of the materials issused to the work as per line A of the form, the paper balance of the unused material should next be arrived at and set forth against line F.

(*d*) The report should then be completed by recording against line G remarks explaining action taken (i) to adjust the differences as per lines D and F, (ii) if the work has been completed, to dispose of the surplus balances as per line G; and by signing the printed certificates applicable to the case and scoring out the others.

(*e*) The differences as per line F may be due to (1) adoption of the method of determining the actual consumption (2) unreasonable wastage or (3) shortage in some other form. The discrepancies as per line D may be due to differeces between the actual recipts or issues with those entered in the accounts, or to errors in measurements or in posting entries or losses of materials due to carelessness or neglect or fraud on the part of the subordinates. These differences should be carefully investigated and adjusted in accordance with paragraph 342.

338. A similar verification of the unused balances of materialsmust invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under paragraph 336 and (2), the balance at debit of the suspence head "Materials--at-site" representing the unused surplus materials may be required to a minimum.

339. On the completion of a work, the surplus materials-at-site should be disposed of without delay in accordance with paragraphs 335–337 of the Madras Public Works Department Code.

340. If the Gazetted officer or subordinate in direct charge of a work is transferred before the accounts of it are closed, the unused materials-at-site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in paragraph 337 should be prepared by the Subdivisional Officer and submitted to the Divisional Office.

341. A report is required annually of the value of materials-at-site of all works the accounts of which were open on the last day of the official year. This report should be prepared in Form VI-83 and submitted to the divisional office in the manner described in paragraph 338, as on completion of work, but it is not necessary that the balances should be verified at the close of the year if—

(1) the work has been under construction for not more than three months,
(2) the accounts of the work are expected to be closed within three months or
(3) the balances were verified at any time during the year.

342. Reports of verification of materials in Form VI-83 prepared under paragraphs 337, 338, 340 and 341 should be dealt with in the Divisional office in the manner described below :—

(*a*) A register showing the clearance of the suspense head " materials-at-site " in the accounts of the work should be maintained in Form VI-84. A separate folio of the register should be reserved for each work for which materials-at-site account is kept, and for facility of reference, the register should have an index.

(*b*) Each report of verification in Form VI-83 should be entered in Part I of Form VI-84 as soon as received.

(*c*) The difference, if any, between the closing balance and the actual balance as verified—line D of Form VI-83 should be recorded in Part II of Form VI-84 and the paper balance of unused materials—line F of Form VI-83—in Part III of Form VI-84. Part IV of Form VI-84 is intended to show how the materials remaining unused, i.e., the actual balance of materials on completion, as per line C of Form VI-83 are proposed to be disposed of. Parts I, II and III should be operated on the receipt of each intermediate report of verification as well as of the final report, but Part IV on the completion of the work only.

(*d*) Petty deficiencies and surpluses held to be due to the adoption of the method for determining the quantities used in construction, may be adjusted under the orders of the Divisional Officer by debit or credit to the sub-heads concerned, action being taken separately, if necessary, to make suitable revision of the method in use.

(*e*) Shortages and losses for which any contractors are held responsible should ae adjusted by prompt recovery either in cash or by debit to their personal ledger accounts. The recoveries should be credited to the work, a suitable entry being made in the works abstract also, to show the credit to the work. If they are recoverable from other persons, the debit should be transferred to " Miscellaneous Public Works Advances " by credit to the work by a transfer entry.

(*f*) Other actual losses which are irrecoverable, ordered to be written off by a competent authority, should be borne by the work itself and should remain charged thereto. They should be transferred to the sub-head " Contingencies " or to the other sub,heads concerned, or even to a sub-head opened for the purpose, as the case map be accoording to the statistical value of the recorded cost of final sub-heads of work.

(g) Materials found in excess should be credited to the work, under the apopriate sub-heads and shown as " Receipts " in the column " Material-at-site " n the works accounts and also in the materials-at-site accounts.

(*h*) The cost of surplus materials which cannot be sold or transferred elsewhere and losses on account of the sale or transfer of surplus stores at a reduced valuation should be adjusted in the works accounts by a charge to the sub-heads concerned by credit to the sub-head "Materials-at-site."

NOTE.—The adjustments in clauses (*f*), (*g*) and (*h*) in the works accounts are only between the sub-heads therein and do not affect the total outlay on the work. No adjustments therein are therefore required in the case of minor estimates for which no sub-heads are kept. It is sufficient if the correct verified balances are carried forward in the cases of (*f*) and (*g*) in the numerical site accounts for future purposes.

D.—ADJUSTMENTS.

343. In addition to cash payments and issues of materials, there are other transactions relating to the accounts of works, which are of the nature of adjustments usually recorded in the Transfer Entry Book of the Divisional Office. The detailed rules governing such transactions are given in Chapter VIII.

E.—WORKS ABSTRACTS.

I.—Introductory.

344. An account of all the transactions relating to a work during a month, whether in respect of cash, stock or other charges, should be prepared by the Sub-divisional Officer in one of the Works Abstract forms. Except in the cases mentioned in rule 2 below, a separate account should be maintained in the case of major estimates, for each sub-head estimated to cost not less than Rs. 1,000 for Provincial Civil Works and Rs. 2,000 for Central Civil Works, and in the absence of orders of the Divisional Officer to the contrary, the remaining sub-heads should be lumped tegether. For such works and for those Minor Estimates for which the Superintending Engineer or other sanctioning authority may desire accounts to be kept by sub-heads, the detailed Form of Works Abstract A, No. 33 (P.W.D. VI-81) should be used. For other Minor Estimates, the simpler form of Works Abstract B, No. 34 (P.W.D. VI-82), should be used in which the account of the final outlay is not kept by sub-heads.

The estimate, account and completion certificate of petty works are ordinarily prepared on a single form, Petty Works Requisition and Account, Form 32 (C.F. No. 145), and separate Works Abstracts are not necessary. But when the accounts of the work involve transactions which cannot be suitably recorded in Part IV of Form 32 (C.F. No. 145) (e.g.. Advance Payments, or other Transactions of Contractors), the accounts should be kept on the simple form of Works Abstract, Form 3 (P.W.D. VI-82).

1. Percentage charges on account of Establishment, Tools and Plant, Account and Audit and Pensionary charges, levied on works expenditure, under Rules 5 and 11 of Appendix 7 should not be shown in Works Abstracts and Registers of Works, though they are eventually included in the cost of works—vide Rule 2 to paragraph 558.

2. The maintenance of works accounts by sub-heads will be unnecessary in the case of all repair works, whatever their cost may be and in the following cases of original works :—

(i) When a work or sub-work is executed entirely by one contractor irrespective of the total value of work done ; or

(ii) When the cost of a sub-work or part of a sub-work for which a separate Works Abstract has been kept under paragraphs 345 and 348 is less than Rs. 10,000 ; or

(iii) When the Superintending Engineer considers that the circumstances of the work render such accounts useless or impossible to maintain, in which case a copy of the orders specifying the reasons will be forwarded to the Accountant-General.

345. Ordinarily there should be one Works Abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a Works Abstract separately for each sub-work.

II.—Classification and Record of Final Charges.

(a) Major Estimates.

346. The division of a major estimate into sub-heads for the purposes of accounts is guided usually by the classification sanctioned in the abstract of the estimate. See paragraph 112 of the Madras Public Works Department Code. In all cases, miscellaneous charges of a general nature which do not pertain to any sub-head in particular, may be treated as separate sub-heads, being grouped under one or more heads, e.g., "Work-charged establishment", "Contingencies", etc. See paragraphs 58, 59 and 117 of the Madras Public Works Department Code.

1. When the number of sub-heads of an estimate is large, it will be foun convenient to assign a number to each sub-head and to prefix this number to the name of the sub-head, wherever it is used on vouchers, Works Abstracts, registers of works or other accounts.

347. After a Major Estimate has been sanctioned, it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case the original abstract should be recast in accordance with the instructions laid down in paragraph 112 of the Madras Public Works Department Code. The details of cost and quantities already approved by competent authority should be re-arranged and the revised abstract should be approved by the Divisional Officer and thereafter treated as the sanctioned abstract of the estimate for all account purposes.

348. If the number of sub-heads in the working estimate for a work or sub-work is large, it is permissible to break up the estimate into two or more parts, and to treat each part as sub-work for the purposes of accounts ; but no part of an estimate can be separated from the rest, if any contract for the execution of work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of a work or sub-work are completely executed long in advance of the others and no useful purpose will be served by keeping open the accounts of the completed parts.

349. (a) The account of each sub-head in the Works Abstract should ordinarily exhibit—

(1) "amount", i.e., total charges finally classified under the sub-head,
(2) "progress", i.e., total quantities executed from time to time, and
(3) "rate of cost", i.e., cost per unit on the basis of the recorded "amount" and "progress."

(b) In the case, however, of sub-heads which have been lumped together under paragraph 344 above, or sub-heads representing items of work which cannot be expressed in quantities, no quantities are shown in the abstract of estimate and the record of "progress" and "rate of cost" in the accounts is not necessary, the entries in the "amount" column being sufficient.

(c) In other cases the "progress' and "rate of cost" should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed with in the following cases under the written orders of the Divisional Officer which should specify reasons :—

(1) If the duration of construction under the sub-head is not expected to be more than three months.

(2) If the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

350. The charges classified under a final sub-head should include all ordinary xpenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to this sub-head concerned unless they are recoverable from the contractor

under the terms of his agreement. But if the amount involved be so large as to affect sensibly the cost or rate of the sub-head, it may be debited to the sub-head "Contingencies" instead or, with the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimates.

351. In the accounts of major estimates a final sub-head, entitled "Additional charges for materials issued to contractors," should be opened if the system of issue of materials to contractors has been adopted, and the rates charged to the contractors therefor under paragraph 327 or 328, as the case may be, are either more or less than the actual cost to Government. This Sub-head should bear all losses on this account and receive credit for all profits as explained in paragraph 330. The carriage and incidental charges on account of materials issued to contractors, should also be debited to this head, if, under paragraph 389, they are chargeable to the work.

352. If any receipts or recoveries are credited under the rules to the account of a Major Estimate, a special sub-head should be opened in the Works Abstract for the reception for all such credits.

(*b*) Minor Estimates.

353. If the Superintending Engineer has desired the account of a Minor Estimate to be kept by sub-heads (vide paragraph 344), the rules in paragraphs 346 to 351 will apply. In the case of Minor Estimates for buildings, bridges and other structures, if the transactions relating to the direct issues of materials are of sufficient importance and it is desirable with the object of exercising control thereon, to record their cost separately in the accounts, the procedure prescribed in paragraph 335 in respect of Major Estimates, may be adopted and a column opened for the suspense head "Materials-at-site," in the Works Abstract. In all other cases the account of all final outlay on a Minor Estimate should be kept in a single column, headed "Final charges," in Works Abstract, Form 34 (P.W.D. VI-82).

III.—Suspense Accounts.

(*a*) General.

354. In addition to the head "Final charges," or the final sub-heads in the case of Major Estimates, a few suspense accounts are opened in Works Abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or the correct classification of which cannot be immediately determined. These accounts are—

(1) "Materials-at-site"—for the record of the receipt and issues of materials,

(2) "Contractors—Advance payments"—for the record of advances payments and of their recoveries,

(3) "Contractors—Other transactions"—for the record of all other debits or credits to contractors awaiting settlement, and

(4) "Labourers"—for the record of unpaid wages of labourers and of their subsequent payment.

(*b*) Materials-at-site.

355. The suspense account "Materials-at-site" has already been referred to in paragraphs 330 and 335. This sub-head should be opened in the Works Abstract of Major Estimates. It may also be opened in the case of Minor Estimates if the transactions are of sufficient importance—vide paragraph 344.

(c) "CONTRACTORS" AND "LABOURERS" ACCOUNTS.

356. Advance payments made to a contractor under the provisions of paragraph 313 should not be charged off as final outlay on the work or under any sub-head of it. A suspense head, "Contractors—Advance payments," should be opened in the Works Abstract [Form 33 (P.W.D. VI-81) or 34 (P.W.D. VI-82), as the case may be], for the record of advance payments and their subsequent adjustment.

357. Advances made to contractors and suppliers under paragraph 203 of the Madras Public Works Department Code as well as all recoverable payments made under proper authority to labourers and others on behalf of contractors, should be treated as advances made on account of the work concerned. They should not be charged to the general suspense head "Miscellaneous Public Works Advances", but incorporated in the Works Abstract as suspense transactions under the head "Contractors Advance payment". The head "Contractors—Other transactions" should be used for all other transactions.

358. The head "Contractors—Other transactions" is intended also for watching the ultimate payment of the unpaid balances of contractors' accounts. Similarly, the head "Labourers" is meant for the clearance of the unpaid wages of labourers. If a Running Account Bill or Muster Roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the Works Abstract as final charges or as expenditure in the sub-heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column "Contractors—Other transactions" or "Labourers."

359. The Forms (Nos. 33 and 34, P.W.D. VI-81 and 82) of Works Abstracts provide a column for each of the suspense accounts enumerated in paragraph 354. The use of the head "Materials-at-site" is explained in paragraph 335 and the foot-notes printed on the forms of the Works Abstracts explain the mode of making both original and adjusting entries under the other suspense heads.

360. If any wages of labourers remain unpaid after the completion of a work, the accounts of the work may be kept open for a period of one month, which may be extended to three months at the discretion of the Divisional Officer. Thereafter the accounts of the work should be closed, the balance under the suspense head "Labourers" being left unadjusted. This amount should be shown in any Completion Report or Statement that may be prepared under the rules in paragraph 216 of the Madras Public Works Department Code, by a special remark, as a liability against the work, and it should be excluded from the total final expenditure on the work, so as to arrive at the amount actually brought to account.

1. If unpaid wages of labourers are claimed and paid subsequently to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the divisional office against the closing entry relating to the original work in the Register of Works. Where, however, it may prove more convenient, the accounts of the work may be reopened at the discretion of the Divisional Officer.

361. The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect should be recorded in the bill, the account of the work as passed on the bill should be incorporated in the Works Abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head "Public Works Deposits," to be dealt with thereafter under the rules relating thereto.

1. If the final account of a contractor shows that he has already been overpaid or that the account closes with a balance due by him, the account should be settled by a recovery in cash or otherwise; but if an immediate recovery is not practicable the balance should be removed by debit to the head "Miscellaneous Public Works Advances".

362. Disbursing Officers are responsible for keeping a strict watch over the balances under the suspense accounts "Contractors" and "Labourers" with a view to prompt adjustment by recovery, settlement of account or detailed measurement, as the case may be. For this purpose the statement headed "Detail of Contractors' closing balances" and the susp nse head "Labourers" in the Works Abstract should be examined monthly. Subject to the provisions of paragraphs 360 and 361, these accounts should be cleared before the accounts of a work can be closed on completion.

IV.—Liabilities awaiting incorporation.

363. Liabilities are not incorporated in the accounts of works except in the following cases :—

(*a*) Unpaid balances of partly-paid running account bills or muster rolls are invariably incorporated—vide paragraph 358,

(*b*) The value of materials received from sources other than stock (including manufacture), whether for issue to contractors or for issue direct to works, is at once brought into the accounts of works even though payments to suppliers and adjustments crediting the transfer accounts concerned may not be made at once—vide paragraphs 325 and 330, and

(*c*) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account—Vide paragraphs 360 and 361.

Disbursing Officers are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date—vide sub-paragraph in Article 30-B of the Madras Financial and Account Code, Volume I.

364. If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 315, arrangements should be made for withholding sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 287, all records on the authority of which liabilities may be liquidated or incorporated in the accounts should invariably specify (1) the full name of the work as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable.

V.—Record of Progress.

365. Entries of "progress" in the Works Abstracts—vide paragraph 349-should be supported by details in the statement provided for the purpose on the reverse of the Works Abstract form. These details should be furnished by the Engineering or subordinate in charge of the work or by any executive officer or subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement books vouchers or other records, by members of the office establishment, should not be permitted. The following points should be specially borne in mind :—

(i) Only "quantities" actually measured and paid for should be reported as "progress".

(ii) The progress reported should specify the quantities executed "up to date" sets of earlier measurements covered or superseded, by later ones being ignored.

(iii) The progress of an item of work should be so reported as to be described as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE.—It is recognized that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable record is all that is necessary, but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in cases coverd by paragraph 349.

VI.—Preparation, Completion and Disposal of Works Abstracts.

366. The Works Abstract should be prepared in the subdivisional office in the first instance. It should be posted day by day from the cash book and the connected bills of contractors and suppliers, cash refunds being posted as minus entries. At the end of the month stock and adjustment transactions also should be added, writes-back of final charges being posted as minus entries.

When the form of the Works Abstract contains the column "Materials-at-site" (see paragraph 355), the charges debitable to the work on account materials should be posted in the receipts column of the suspense head "Materials-at-site" from the cash book and connected bills day by day or from the transfer entry book and stock registers at the end of the month, as the case may be. When materials are issued to contractors the cost should be credited *then and there* under the sub-head "Materials-at-site—Issues" or under the final head in the case of Minor Estimates, by debit to the head "Contractors—Other transactions" even though the debit to the work on account of materials may be made later on—vide paragraph 330. In the case of departmental works, the suspense head "Materials-at-site" may be cleared *at the end of the month* through the "Materials-at-site accounts" by debiting the cost of materials to the respective sub-heads for which they have been issued by credit to the suspense head "Materials-at-site."

In the detailed statement provided for the purpose, quantities of work executed should be posted from measurement books or other sources and the closing balances of contractors' accounts should be detailed so as to prove the correctness of the up-to-date totals under the suspense heads (1) Contractors—Advance payments, and (2) Contractors—Other transactions. The balance at the debit of the suspense head "Materials-at-site" in the Works Abstract should be reconciled with that in the detailed account in Form No. VI-83. The closing balance arrived at under the suspense head "Labourers" in each case should be reconciled with the connected record of unpaid wages and its correctness should be certified over the dated initials of the Subdivisional Officer. The Works Abstract should then be forwarded in original to the Divisional office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the Divisional Officer and the abstract checked and closed under the supervision of the Divisional Accountant, who should record a certificate in the following form :—

"This Abstract has been checked $\frac{\text{by me}}{\text{under my upervision}}$ I have personally compared all the items in the 'Details of Contractors' closing balances with the contractors' Ledger and found them correct."

1. The posting of stock and adjustment transactions may, if preferred, be done entirely in the Division office.

2. Postings made in the Subdivisional office should be in black ink and all postings and corrections made in the Divisional office, in red ink.

3. Office copies of Works Abstracts need not be kept ; but, before the works Abstracts are sent to the Divisional office, the up-to-date totals should be entered in the returns for the following month.

367. When finally completed in all respects, all the Works Abstracts of a month should be examined by the Divisional Officer and any explanations necessary called for from the Subdivisional Officer. The monthly examination of the Works Abstracts is an important part of the duty of the Divisional Officer and must not be omitted. He must initial (and date) them in token of performance of this duty.

F.—REGISTER OF WORKS.

I.—Forms of Register of Works and their Preparation.

368. (*a*) The permanent and collective record of the expenditure incurred in the division, during a year, on each work estimated to cost more than Rs. 10,000, is the

Register of Works. This record is maintained in the Divisional office. The object of this register is to get an analysis of the cost of sub-works and sub-heads, the rate of cost of work and to foresee as far as possible excesses over estimates.

(*b*) There are two forms of Registers of Works corresponding respectively to the two forms of Works Abstracts, Forms 33 and 34 (P.W.D. VI-81 and 82) for Major and Minor Estimates. The detailed Form 40 (P.W.D. VI-89) should be used for Major Estimates and the simpler Form 41 (P.W.D. VI-90) for Minor Estimates. In respect of petty works, no record is necessary beyond the Petty Works Requisition and Account Form 32 (C.F. No. 145) which is self-explanatory but, if desired, expenditure on these works may be recorded in the Register of Works for Minor Estimates, Form 41 (P.W.D. VI-90).

369. The Registers of Works are posted monthly from Works Abstracts. A separate folio or set of folios of Form 40 (P.W.D. VI-89) should be assigned to each major estimate but entries relating to two minor estimates can be made on a single page of Form 41 (P.W.D. VI-90). When separate Works Abstracts are prepared, under paragraphs 345 and 348 for the sub-works or parts of a major estimate, the transactions relating to each Works Abstracts should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the costs of the work and its sub-works with the provision in the estimate. The following instructions should receive special attention :—

(*a*) The register of works is not a classified account of works ; for facility of reference it should be supplied with an index which should be subdivided under the prescribed heads of account classification.

(*b*) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amount sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned, the register of the original estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked, " Revised Estimate " in red ink, and a reference to the folio on which the orignal estimate is to be found should be entered thereon.

(*c*) In the case of works for which specific appropriations are sanctioned individually, vide paragraph 104, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(*d*) The blank vertical columns in Form 40 (P.W.D. VI-89) should be utilized for the final sub-heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub-columns for " quantity " and the horizontal columns for " rate of cost " should be left blank in respect of sub-heads for which there are no quantities in Works Abstracts (vide paragrpah 349).

(*e*) In Form 41 (P.W.D. VI-90), the final charges on works should be posted in the column " Total value of work done " and the single column " Suspense Accounts " should embrace the transactions under all the suspense accounts.

II.—Examination by Divisional Officer.

370. Before the date of submission of the monthly accounts to the Audit Office, the posting of the registers of works should be completed and the registers should then be laid before the Divisional Officer for review. The monthly account of each work on which there has been expenditure during the month should be initialed (and dated) by the Divisional Officer in the column set apart for the purpose, in token of his having examined the entries and found them correct. Actual as well as probable excesses, whether in the total cost of a work or sub-head or in the rate of cost of a sub-head, should receive special attention, and works slips in Form 39 (P.W.D. VI-87 and 88) should be prepared and submitted to the Superintending Engineer when necessary (vide paragraph 36 of the Madras Public Works Department Code).

1. If the transactions of a division are very large, the Divisional Officer may allow an exatr period of a few days for the completion of the registers of works, but the submission of the monthly accounts to audit and the completion of the works abstracts (paragraph 366) should not be delayed on this account.

2. It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion, the delay in closing their accounts should be enquired into ; see also paragraph 371. If the slow progress of expenditure is due to delays in measuring work done or in the settling up bills, the cause at work should receive attention.

NOTE.—This paragraph is not applicable to the public Works Workshops, Madras ; but the register of workshop jobs should be inspected monthly by the General Superintendent to see that it is being posted up to date He should also test-check the entries in the case of at least 5 per cent of the jobs under execution and record a certificate to that effect.

III.—Closing the Accounts on Completion of Work.

(a) SETTLEMENT OF LIABILITIES AND ASSETS AND CLEARANCE OF SUSPENSE ACCOUNTS.

371. It is an object of great importance to close the acconts of works as soon as possible after the actual work of construction is completed (vide paragraph 32 of the Madras Public Works Department Code). If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the Divisional Officer.

372. Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, e.g., paragraphs 89 to 93 of the Madras Public Works Department Code have been duly made in the accounts that all liabilities not originally brought to account have either been liquidated or since brought to account have and that the balances, under the suspense accounts " Contractors " and " Labourers " have been cleared (vide paragraphs 359 to 362). If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

373. The steps to be taken to clear the suspense head " Materials-at-site" have been detailed in paragraphs 336 to 338 and 342.

374. The sub-head " Additional charges for materials issued to contractors " (paragraph 351) should receive the special attention of the Divisional Officer who should, if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractors and the actual cost to Government should not be accepted as correct without close examination.

375. The accounts of annual maintenance estimates must be closed in the month fixed by Government, under paragraph 136 of the Madras Public Works Department Code as the last month of the working year for the purpose. Ordinarily, it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts before the expiry of the working year. If, in any exceptional case, any work remains to be done and, in accordance with paragraph 137 of the Madras Public Works Department Code, it is proposed to carry it on to completion, action should be taken as under :—

(1) The expenditure incurred in the next working year should be treated as expenditure against the annual maintenance estimate for that year.

(2) The suspense accounts of the work should be closed in the last month of the working year, by transferring the balances of all those accounts to the general suspense accounts " Public Works Deposits " or " Miscellaneous Public Works Advances," as the case may be, which should be relieved in the following month

by retransferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next working year. All unsettled liabilities and assets should then be treated as those pertaining to the next working year's estimate.

(*b*) CLOSING ENTRIES AND REVIEW OF EXPENDITURE.

376. (*a*) When the work is completed and the accounts of it have been settled and written up as indicated in paragraphs 342, and 372 a double red ink line should be ruled below the final entries and a note made in red ink " Work completed in 19 ." This note should be signed by the Divisional Officer in token of his satisfying himself that all action has been taken under those paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

(*b*) If it is a Deposit Work, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the Divisional Officer.

(*c*) EXCESSES OVER ESTIMATES.

(i) *Excesses passed by Divisional Officer.*

377. If the total expenditure on the work is in excess of the sanctioned estimate and the excess is passed by the Divisional Officer under his powers, the words " Excess passed by me " should be added to the completion note recorded under paragraph 376.

(ii) *Completion Reports and Statements.*

378. If, however, the excess is not within the Divisional Officer's powers to deal with, a Detailed Completion Report in Form 44 (P.W.D. VI-93) should be prepared or the item should be included in a consolidated Completion Statement of Works and Repairs in Form 45 (P.W.D. VI-94) as may be required under the rule in paragraph 216 of the Madras Public Works Department Code. The completion note in the Register of Works should then be amplified thus :—" Work completed in 19 . Completion statement report submitted with this office letter No. , dated 19 ."

The orders passed subsequently by higher authority on the excess reported in the Completion Report or Statement should also be noted in the Register of Works to complete the record.

IV.—Correction of errors after closing Accounts.

379. Should an error or omission in the recorded expenditure of a Work come to light after its accounts have been closed (see paragraph 32 of the Madras Public Works Department Code), the account may be reopened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant document concerned.

G.—CONTRACTORS' LEDGER.

[The rules in this section apply to all transactions with contractors in connexion with the contracts or jobs undertaken by them, whether relating to the execution of works or to the supply of materials for works or stocks.]

I.—Form and use of the Ledger.

380. The accounts relating to contracts should be kept in the Contractors' Ledger, Form 43 (P.W.D. VI-91), a separate folio or set of folios being reserved for all the transactions with each contractor for whom a personal account is maintained—vide paragraph 381.

381. Except in the following case a personal account should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him :—

If the work or supply entrusted to him is not important and no payment is made to him except on a First and Final Bill, Form 24 (P.W.D. VI-69), on completion. If any materials are issued to the contractor or any payments are made on his behalf, a ledger account must be opened.

NOTE.—No personal ledger accounts need, however, be maintained in the case of payments made to petty labour contractors engaged in the Public Works Workshops, as the work order form itself contains in it the agreement with the contractor and provides also for recording therein payments made to him from time to time.

II.—Posting the Ledger.

382. The Contractor's Ledger should be written up in the Divisional office. It is not necessary for the Subdivisional Officer to maintain a similar ledger in his office but if he maintains one, the Divisional office may not require him to furnish extracts therefrom.

NOTE.—As the Subdivisional Officers are responsible for the clearance, from works accounts of all outstandings against contractors, vide paragraph 201 (*b*), a list of balances due to and from piece-workers and contractors should therefore be maintained by them, and this may preferably be done in the same form as the contractors' ledger.

383. Except when a contractor's account is to be closed and the procedure prescribed in paragraph 361 is observed in respect of unpaid bills, the value of work done or supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 327 or 328 should be debited to his account on the authority of his acknowledgment, see paragraph 330.

1. Security deposits of contractors should not be included in their personal accounts in the ledger—vide paragraph 453.

2. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash.

384. (*a*) The form of the ledger provides for the following columns :—

Particulars of bill or voucher—

1 Date.
2 Voucher number.
3 Serial number, if a running account bill.

Net transactions detailed by suspense heads—

4 Advance payments.
5 Other transactions.
6 Name of work or account and particulars of transactions.

Gross transactions—

7 Debits.
8 Credits.
9 Total value of work or supplies.
10 Remarks.

(*b*) Columns 7 and 8 constitute the ledger account proper and columns 4 and 5 set forth the net effect of each posting on the two suspense heads making up the account. Column 9 is also not a part of the personal account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(c) Columns 1 to 3 and 10 require no explanation. Instructions for filling in columns 4 to 9 in the case of personal accounts are given below :—

(i) *Column* 6—" *Name of work, etc.*"—Here should be entered the full name of the work to which the bill or vouchers relates except in the case of suppliers' bills when the name of the account concerned, Stock or Purchases, should be stated. Brief particulars describing the nature of the transactions should then be added, and against the line should then be posted, in the money columns 4, 5, 7, 8 and 9, the figures relating to that transactions only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work and the other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 5 and 8 against the name of the work concerned.

NOTE.—If there are several contracts in connexion with a work or account, the transactions relating to each should be distinguished, preferably by quoting the number and date of agreement or work order.

(ii) *Column* 4—" *Advance payments.*"—If the bill is a Running Account Bill A, Form 25 (P.W.D. VI-70), figure D of Account I should be posted in this column.

(iii) *Column* 5—" *Other transactions.*"—In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a First and Final Bill, Form 24 (P.W.D. VI-69), no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(iv) In columns 4 and 5 debits to contractors should be posted as plus entries and credits as minus entries.

(v) *Column* 7—" *Gross transactions—Debits.*"—If it is a running account bill, figure H of the memorandum of payments should be posted in this column, otherwise the total amount paid or chargeable.

(vi) *Column* 8—" *Gross transactions—Credits.*"—Here should be entered the value of work or supplies creditable to the contractor, which will be figure F of Account I in the case of running account bills.

(vii) *Column* 9—" *Total value of work or supplies.*"—In the case of running account bills here should be entered the total value of work done or supplies made up to date, as per figure A of Account I of Bill, but before posting the bill it should be seen that the figure shown in Account I of it as " Deduct value of work shown on previous bill " agrees with the last entry in column 9 of the ledger against the work concerned. In token of this check this last entry in column 9 should be initialled (and dated) by the Divisional Accountant.

III.—Balancing and Reconciliation.

385. The ledger accounts should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding, if any, under each of the two suspense accounts, (1) Advance payments and (2) Other transactions, with a quotation, in each case, of the last running account bill and of all the vouchers supporting unadjusted outstandings under " Other transactions " not incorporated in the last running account bill. In the case of running account bills, these balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when posting the bill,

so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded :—

Class of balance.	Serial number of entry in memorandum of payments on bill form. — Running account bill. A.	Running account bill. C.
(1) Advance payments	2	..
(2) Other transactions	4	2

NOTE.—See note to paragraph 384 (c) (i).

386. The Divisional Accountant should be held responsible for the correctness of the Contractors' Ledger and for securing agreement, month by month, between the balances detained in the works abstracts and the corresponding balances of the accounts in the ledger. He should further see there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

387. (*a*) Periodically all the personal accounts in the ledger should be examined to see (1) that balances do not remain outstanding for a long time without justification and (2) that, in the case of running accounts, bills are prepared at reasonable intervals.

(*b*) Entries in column 9, "Total value of work or supplies," not bearing the initials of the Divisional Accountant recorded under paragraph 384 (*c*) (*viii*), should be reviewed in particular to ascertain the cause of delay, if any, in the preparation of final bills. This examination must invariably be made before a volume of the ledger is laid aside on completion so as to ensure that all outstanding accounts in it are carried forward to a new volume.

IV.—Scrutiny of Accounts by Contractors.

388. A contractor requiring a copy of his running accounts bill or an extract from his account in the Contractors' Ledger should be furnished with the same. He should be encouraged to look at his account in the ledger and sign it in token of his acceptance of it. See also rule 2 under paragraph 315.

H.—SUNDRY RULINGS.

I.—Carriage and Incidental Charges.

389. (*a*) The cost of carriage of stock materials to site of work, and of all carriages charges in connexion with the movement, from place to place, of other materials issued to or provided specially for a work, should be charged direct to the account of the work, the exact classification of charge being as indicated below :—

Nature of issue of materials.	Head chargeable in the account of the work.
I. Issues to contractors under paragraph 327—	
(*a*) To the promised place of delivery.	"Final charges" in the case of minor estimates and "Additional charges for materials issued to Contractors" in the case of major estimates.
(*b*) Beyond the place of delivery, if incurred.	The personal account of the contractor under the suspense head "Contractors—Other transactions."
II. Issues to contractors under paragraph 328.	Do.
II. Issues direct to work	The sub-head to which the cost of materials is charged.

(b) When surplus materials are returned from a work to stock, the cost of carriage should be borne by the work, but if they are transferred to another work, the charge may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or returned therefrom, should be adjusttd in the same way as the cost of carriage.

(d) In all cases the places from and to which conveyed, the distance, the quantity and the approximate weight must be clearly stated in the payment vouchers.

II.—Charges for Examination of Soil.

390. The expense attendant upon the necessary examination of the soil for the foundations of works ordered by competent authority should be treated as outlay on works and not as a contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved.

III.—Municipal and Local Rates and Taxes on Buildings.

391. Municipal and local rates and taxes on public buildings, residential or non-residential, when chargeable to the Public Works Department, as the department in administrative control of the building, should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

IV.—Employment of Military Labour.

392. When military labour is employed on the execution of a work, the Officer Commanding the unit can obtain from the Controller of Military Accounts concerned, a lump-sum advance to meet heavy initial expenditure up to Rs. 10,000 but not exceeding one quarter of the approximate total amount payable on the contract, as certified by the employing authority. The debit on account of the advance made will be received from the Controller through the exchange account, and the responsibility for the final adjustment of the advance by recovery from the value of the work done rests with the employing authority.

V.—Execution of Government Works by Local Bodies.

393. When the Public Works Department entrusts to the agency of a district board, or other local body, the maintenance of Government buildings, or roads, without transferring the property to the local body, the payment made to it on this account should be treated as a payment for work done by a contractor. If lump-sum payments have been agreed upon, the procedure for settling the account periodically and for recording the cost of the works, may be simplified, with the concurrence of the Accountant-General, provided—

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on record by the Executive Engineer or a Sub-divisional Officer deputed by him for the purpose,

(b) that if the payment is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charge is set forth, and

(c) that, as far as possible, the liability of year is settled within that year (see also paragraph 375).

See also paragraph 285.

1. These payments should not be charged to the minor head "Grants-in-Aid," that head being intended for cash contribution made to local bodies in connexion with (1) roads which are either not the property of Government, or being such property, have been transferred to the control of a local body, (2) miscellaneous civil works, the cost of which if constructed by the Public Works Department would be chargeable to the minor head "Original Works—Buildings—Civil Works." and (3) for the financial assistance given to these bodies in the form of expenditure incurred in the Public Works Department on a work constructed by that department on their behalf.

VI.—Government Works partly Contributed for by Local Bodies and Private Parties.

393-A. (*a*) Annual contributions recovered from local bodies or private parties which have been fixed as a specific sum without reference to the amount actually spent by Government on certain works, e.g., maintenance of roads, bridges, hospitals, etc., taken over under Government control, or Government irrigation works, etc. (see paragraph 209 of the Madras Public Works Department Code), should be credited finally in the accounts to the appropriate heads of revenue—vide Statement "E" of Appendix 4. The actual expenditure on the works will be charged in the Public Works Accounts in the same manner as on other Government works.

NOTE.—The Accountant-General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the Register of Special Recoveries.

(*b*) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or on the basis of certain revenue figures as in the case of Tank Restoration Scheme Works, the contribution should be credited to "Public Works Deposits" and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of cost or the Collector's distribution in the case of Tank Restoration Scheme Works, should be carried out just before the accounts of the works are closed.

NOTE 1.—Centage charges in respect of such contributions should, in addition, be recovered at the rates specified in rule 9 of the rules laid down in paragraph 213 of the Madras Public Works Department Code. This will not apply to estimates for works (relating to the maintenance of existing irrigation or navigation works) started before 21st December 1932 for which centage charges were not collected.

NOTE 2.—In cases, where, under the rules in Appendix XX of the Madras Public Works Department Code, contributions are payable by local bodies towards the cost of repairs to scours or breaches in the bunds of rivers and canals carrying local fund roads, if the Superintending Engineer considers it undesirable to postpone the execution of the works pending receipt of contribution from local bodies, Government money may be spent in advance of such realization. In such cases, demand for payment of contribution shall ordinarily be made at least one month before the money is required and the date on which it should be paid shall be stated in the demand. Interest will accrue from that date or from such later date on which Government money may actually be advanced. The amount spent in advance shall be debited to the head "Miscellaneous Public Work Advances" in the accounts.

VII.—Scope of Sanction.

394. The authority granted by a sanction to an estimate is strictly limited by the precise objects for which the estimate was intended to provide. Accordingly it is not permissible to apply, without the sanction of the competent authority any anticipated or actual savings whether due to the abandonment of a part of work or to any other cause, on a sanctioned estimate of a definite project, to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

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CHAPTER XI.—MANUFACTURE ACCOUNTS.

A.—INTRODUCTORY.

395. When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a Manufacture Account, must be kept of the transactions connected with each manufacture. See also paragraph 442.

396. The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and, in addition, an account is kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known, respectively, as the "operation" and the "outturn" accounts.

397. The ordinary forms of the Registers of Works are unsuitable for recording the progress of the transactions of a manufacture. Form 42 (P.W.D. VI-19), Register of Manufacture, should be used instead.

398. It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year.

B.—OPERATION CHARGE.

399. A Manufacture Account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed, and (3) other incidental charges connected with the operations.

400. The following rules apply to certain special incidental charges.

(*a*) Capital charges, such as the cost of land, kins, special plant, etc., incurred in connexion with a manufacture which does not extend beyond a single season, are debited wholly to the account of the manufacture.

(*b*) Capital charges in connexion with a manufacture extending over more than one season should be debited, in the first instance, to a special account under the sub-head "Land, Kilns, etc." of the Stock account. This account should also be charged with the cost of repairs and renewals of the kilns, etc. All these charges should be recovered in suitable instalments by debit to the "operation" accounts of the several seasons, the number of instalments and the amount chargeable for each season being determined on the merits of each case.

1. The decision as to the suitable instalments where by the "Land, Kilns, etc.," account is to be cleared periodically as given by the authority sanctioning the initial charge, should be recorded in the Register of Stock. Form 12 (P.W.D. VI-42), and not deviated from without the further orders of that authority.

2. When the land kilns, plant, etc., acquired for departmental manufacture operations are leased to a contractor of the division or other person, the rent charged should be credited to this special account and not to Revenue.

(*c*) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules (vide Appendix 7) for outlay on works undertaken on their behalf.

(*d*) Save as provided in clause (*c*) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kilns, plant, etc, though all these charges should be included in any *pro forma* accounts of the manufacture operations of the division, which may be prepared under the orders of the Government, with a view to compare the cost of articles manufactured departmentally with the rates charged by suppliers.

401. The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with paragraph 245.

C.—VALUE OF OUTTURN.

402. A Manufacture Account is credited with the values of the manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 336).

403. The outturn account referred to in paragraph 396 should show, month by month, the quantities and values of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month should be prepared in Form 36 [P.W.D. VI-19 (*a*)], Outturn Statement of Manufacture, and should be attached to the Works Abstract for the operation.

404. The rates for valuing manufactured articles should be so fixed as to represent, as accurately as possible, the actual cost of manufacture per unit, but should not exceed the market rates.

D.—GENERAL ACCOUNT.

405. A Manufacture Account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore, recordedd under a distinct sub-head, called "Manufacture" of the Stock suspense account.

NOTE 1.—Rule 1 under paragraph 307 in regard to omission of pies in calculating the value of each item of work should be applied here also.

406. In the Stock accounts, the manufacture transactions should be recorded thus—

(*a*) "Operation" charges should be shown as receipts of stock under the sub-head "Manufacture" charges representing value of stock materials issued to manufacture being simultaneously treated as issues of stock under the sub-heads concerned.

(*b*) All outturn should first be brought formally on the Stock account by crediting its value to "Manufacture" and simultaneously showing the articles as receipts of Stock under the sub-heads concerned.

1. If the rate, at which any article of outturn, manufactured for a particular work, is valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct items in the Stock accounts.

2. No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the Stock accounts under this paragraph. See also paragraph 400 (*c*).

407. The difference between the "operation" and "outturn" should be adjusted under the orders of competent authority before the accounts of a manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the Outturn Statement, Form 36 [P.W.D. VI-19 (*a*)]; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry which will affect the "operation" account only. In all cases, the total "operation" and "outturn" should equal each other on closing the Manufacture Account. See also paragraph 202, rule 2.

CHAPTER XII,—SUSPENSE ACCOUNTS,
H.—INTRODUCTORY.

408. The account of the minor head "Suspense" subdivided into as many of the five heads named below as may be required, is kept in each division under a single major head of expenditure, viz., "50. Civil Works":—(1) Purchases, (2) Stocks, (3) Miscellaneous Public Works Advances, (4) London Stores and (5) Workshops Suspense. These heads are of a temporary character and all transactions recorded under them are ultimately removed either by payment, or recovery, in cash, or by adjustment. The transactions, therefore, consist of both debits and credits, the latter being treated as reduction of expenditure when making up the account of the major head.

B.—PURCHASES.

409. When materials are received from a supplier or from another division or department, their value should be credited to purchases—

(i) immediately on their receipt, if they have been received for a specific work, so that *per contra* the cost may be included at once in the account of the work and those accounts, as well as the connected subsidiary accounts, may take cognizance of the receipt of materials at the earliest opportunity (see paragraphs 325 and 330); and

(ii) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month so as to secure agreement between the quantity and value accounts (see paragraph 193).

410. When the actual value of the materials is not known, it will suffice if an estimated figure is adopted, any difference being adjusted, as soon as known, by a *plus* or a *minus* credit to Purchases, as the case may be. See also rule 1 to paragraph 411.

411. When the price of the materials is paid or adjusted in transfer, the payment should be debited to Purchases, and the outstanding credit thus cleared.

1. If the amount admitted in payment exceeds the amount credited to Purchase, the difference should be charged direct to Stock or to the work concerned.

412. Unclaimed balances, in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 463. Paragraph 464 regarding the repayment of lapsed deposits applied *mutatis mutandis* to repayments of lapsed balances of purchases.

413. The account of this head should be kept in Form 67 (P.W.D. VI-20), Suspense Register, the details being recorded in a separate set of folios for each of the two headings (1) Purchases for Stock and (2) Purchases for Specific Works

C.—STOCK.

414. The head "Stock" is opened in all divisions in which stocks of meterials are maintained for general purposes—vide paragraph 324 of the Madras Public Works Department Code. In divisions in which no stocks are maintained, this account should be opened only when any manufacture operations are undertaken.

415. The money limit for the Stock reserve of a division, prescribed in paragraph 324 of the Madras Public Works Department Code, is meant to be applied to the value of materials acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

416. The accounts head "Stock" is charged with all expenditure connected with acquisition of stock materials and with all manufacture operations and with the expenditure incurred on storage. It is credited with the value of material

issued to works, or sold, transferred or otherwise disposed of, and the balance of the account represents the book value of the materials in Stock *plus* the unadjusted charges, etc., connected with manufacture *plus* the unadjusted expenditure on storage.

417. The sub-heads of the Stock accounts are: (1) Small Stores, (2) Building Materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painters' Stores, (7) House Fittings, (8) Miscellaneous Stores, (9) Land, Kilns, etc., (10) Manufacture and (11) Storage.

418. (*a*) The general account of the receipts, issues and balances of the suspense head "Stock" should be maintained in the Suspense Register Form 67 (P.W.D. VI-20). A separate account should be kept in respect of each sub-head, the transactions of the several subdivisions being detailed therein as separate items and the totals of all subdivisions as another. Transfers within the division should be accounted for against a single item "Deduct—Transfers within Division", before the total for the entire head "Stock" is struck.

1. The clearance of balances under "Transfers within Division" should receive special attention.

(*b*) The subsidiary accounts of Stock are described in Chapters VII and XI.

418-A. The balance under the sub-head "Storage" at the end of each year should be finally adjusted—vide paragraph 214—on closing the accounts of that year as a "surplus" or "deficit", i.e., as profit or loss on stock according as it is a minus or plus balance and should not be carried forward to the following year.

D.—MISCELLANEOUS PUBLIC WORKS ADVANCES.

419. Transactions recorded under the head "Miscellaneous Public Works Advances" are divided into four classes :—

(1) Sales on credit.
(2) Expenditure incurred on Deposit Works in excess of deposits received.
(3) Losses, retrenchments, errors, etc.
(4) Other items.

NOTE.—Personal advances drawn from the treasury, and audit retrenchments made from bills cashed direct at the treasury, do not appear in the accounts of Divisional offices. Advances made to contractors appear in the accounts of works.

420. When stores of any kind are sold on credit, their value [*plus*, if recoverable, the supervision charges referred to in paragraph 331 (*a*) of the Madras Public Works Department Code] should be debited to Miscellaneous Public Works Advances under the sub-head "Sales on credit" so that (1) the accounts of stock or works from which the materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

1. In each case there must be authority for the sale on credit.

421. Outlay on Deposit Works is required to be limited to the amounts of deposits received. Any expenditure on Deposit Works incurred in excess of the amount deposited (vide Rule 1 under paragraph 470 of this Code) is chargeable to Miscellaneous Public Works Advances pending recovery to effect which action should at once be taken. See paragraph 427.

422. Under the heading "Losses, retrenchments, errors, etc.," appear the following :—

(*a*) Deficiencies in cash or stock.

(*b*) Actual losses of cash or stock.

(*c*) Errors in accounts awaiting adjustment.

(*d*) Retrenchments and losses of other kinds recoverable from Government servants.

423. *Deleted.*

424. The head " Other items " is meant for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write-off ordered. The following are cited as examples :—(1) Debits, the classification of which cannot at once be determined, (2) recoverable debits not pertaining to the accounts of a work, and (3) recoverable outstandings pertaining to works, the accounts of which are closed (vide rule 1 to paragraph 361 and paragraph 375).

425. No charges may be debited to " Miscellaneous Public Works Advances " on the ground of absence or insufficiency or sanction or appropriation, except as provided in paragraph 421.

426. Items in the " Miscellaneous Public Works Advances " account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off.

427. The detailed accounts of this head should be kept in Form 67 (P.W.D. VI-20), Suspense Register. For items falling under the class " Expenditure incurred on Deposit Works in excess of deposits received " details are not necessary, as these are recorded in the Schedule of Deposit Works, Form 65 (P.W.D. VI-101 to 103). For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearance may be watched individually. An abstract should be prepared to show the totals of all the classes.

E.—LONDON STORES.

428. The head " London Stores " is the suspense head through which are passed all transactions connected with Stores obtained through the Stores Department, London. The objects of this account are (i) that the stores received from England are brought on the accounts of Stock or works immediately on their receipt, without waiting for the advice of the payments made in England by the High Commissioner, (ii) that when the advice precedes the stores, the receipt of the latter is watched, and (iii) that in all cases agreement is secured between the charge to Stock or works and the payments made in England.

429. When the stores arrive, this account should be credited, and the accounts of the works concerned or Stock should be debited, with the English cost of the quantities actually received, the amount being determined by converting the invoiced sterling value into rupees at the average rate of exchange (which will be communicated by the Accountant-General for the month in which the payment was made in England).

1. If the month of payment is not known, the average rate of exchange for the month in which the stores were despatched from England should be adopted provisionally, subject to adjustment on receipt of the advice of payment.

430. When the advice of the payments for stores made in England is received from the Accountant-General, the head " London Stores " should be debited and the minor head " English cost of Stores " credited (the entry taking the form of a *minus* charge). converting the sterling payments at the average rate of exchange for the month of payment.

1. The transactions under the head English cost of stores are divided into two parts to show (i) par value (at £ = Rs. 13⅓). and (ii) Loss or Gain by Exchange (i.e., the difference between the par value and the value at the average rate of exchange), a separate detailed head being provided for each.

2. The minor head English cost of Stores and establishment appears only under the major head under which the suspense account " London Stores " of the division is classified—vide paragraph 408.

431. Indian charges (e.g., balance of sea-freight and carriage and incidental charges) should be debited direct to Stock or Works concerned unless incurred prior to the arrival of the stores in the division, in which case they should be charged to London Stores, and on receipt of the stores the charge should be transferred to the relevant accounts of works or Stock, when making the adjustment of English cost as laid down in paragraph 429.

NOTE.—Customs duty should be included in the cost of stores and debited either to "stock" or "the works concerned."

432. A surcharge at the rate fixed by the Government of India from time to time to cover departmental expenses and marine insurance is added by the High Commissioner for India to the invoiced price (including freight) of all European Stores obtained through the India Store Department, London, by Provincial Governments, Commercial departments, including Irrigation Works, Government Commercial undertakings, Local Funds, Indian States, private individuals, etc., in calculating the cost debitable to or recoverable from these various sources—

(1) When under special arrangements the contractor undertakes to deliver stores at an Indian port and not at the Stores Office in London, the surcharge leviable will be only for departmental charges.

(2) The extra charge for marine insurance covers the risk of losses during the voyage to India and not losses between the ship's side and the shore.

(3) The adjustment of the surcharge is made by the High Commissioner for India. A similar extra charge should be made in India for stores imported from England for the Central Government but eventually transferred to Provincial Governments, etc. In such cases the amount of surcharge should be credited in the Central Section of the accounts under "XXXV. Miscellaneous Percentage chargeable on European Stores for Provincial Governments, etc."

In making recoveries from the agents of vessels on account of short delivery of stores, the surcharge should not be added to the invoiced value of the stores (including freight). Similarly in making recoveries from the agents to vessels on account of deficiencies or damage found in consignments of stores obtained from the Air Ministry or from other departments of the British Government, the departmental charges levied by these authorities should, like those made by the India Store Department, London, be excluded from the value of such stores.

433. The balances at credit of this account represent the value of stores received for which no advices of payment have come to hand and debit balances indicate the advised value of stores which have not yet been received. All balances should be watched with a view to early clearance, special reference being made at once to the Accountant-General in respect of each item of the former class.

434. Balances due to short deliveries, etc., which cannot be cleared by recovery of cost are not adjustable until their write-off has been sanctioned by competent authority.

435. The transactions under this head should be recorded in detail in a monthly schedule, Form 71 (P.W.D. VI-30), Schedule of London Stores.

436. Indents on the Stores Department, London, should indicate the detailed classification of the charge, which in the case of the Public Works Department, is always the head Expenditure in England—Stores (Voted) subordinate to the major head under which the suspense head London Stores of the division is classified: see paragraph 123.

In each case the following particulars should be added :—

(1) Whether debitable to Central or Provincial revenues; if the latter, the name of the provincial Government.

(2) Whether the major head pertains to Reserved or Transferred expenditure,

Thus, in a Buildings and Roads division in which the London Stores account is kept under the major head "50. Civil Works," an indent for stores required partly for agency works of the Central Government and partly for provincial works (of departments dealing with Reserved as well as Transferred subjects) and Deposit Works, will be classified as shown below :—

50. Civil Works—Expenditure in England—Stores.

Provincial—Madras.

Transferred.

Voted.

Detailed instructions regarding the preparation of indents are given in Appendix IV of the Madras Public Works Department Code.

F.—WORKSHOP SUSPENSE.

437. When a workshop has been established the accounts of which are kept in accordance with the rules in Chapter XIII, all direct outlay on the jobs executed and on other operations of the workshop is passed through the suspense head "Workshop Suspense", and a separate account is kept under it of each job or operation, so that all charges relating to each may be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

438. The record expenditure on a job is removed from the suspense account only when, and to the extent, and adjustment is effected against the deposit received or against the service or other head concerned—vide paragraph 448. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by *plus* and *minus* debit entries.

439. On the completion of a job, all outstanding charges on it must be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of the deposit received, the unadjusted amount should be transferred to the head "Miscellaneous Public Works Advances" pending settlement.

440. The detailed account of this head should be kept in a suitable form prescribed in accordance with the rule in paragraph 443, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

CHAPTER XIII.—WORKSHOP ACCOUNTS.

A.—INTRODUCTORY.

441. The general rules in Chapter XIII of the P.W. Account Code, first edition, issued by the Auditor-General have been provisionally embodied in this Chapter, and should, in the case of the Madras P.W. Workshops Division, be applied in conjunction with the rules in Appendix 8 of the Works Audit Manual issued by the Accountant-General, Madras, and the rules and orders issued by the Madras Government which are now in force in the Division, until they are revised and embodied as an Appendix to this Code.

442. In many divisions there is a small shop for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations, as the case may be.

443. Larger workshops, with special plant or machinery, also exist which are treated as separate subdivisions, or divisions, for account purposes. When such workshops are of the character of *quasi*-commercial undertakings, the system of accounts will be that prescribed locally for similar undertakings. When they are run mainly for departmental purposes, the accounts should be kept in accordance with the general rules and principles laid down in this Chapter. In either case, the exact forms to be used and the procedure to be observed will be settled in respect of each workshop in consultation between the Local Government and the Accountant-General.

NOTE.—The Madras Public Works Workshops are intended mainly for departmental purposes.

444. For every job there must be an estimate of cost (providing for all charges, including the prescribed percentages for indirect charges—vide paragraph 449) sanctioned by competent authority and accepted by the indenting officer, local body or individual: see also paragraph 357 of the Madras Public Works Department Code. The amount to be realized from the indenting party will, however, be based on the actual cost, though the authorized limit of cost, which the officer in charge of the workshop may incur without further authority, is that shown in the accepted estimate.

NOTE 1.—If the execution of a job for another division or department is likely to extend beyond one financial year, the limit of the cost which may be incurred in each official year should also be settled beforehand.

NOTE 2.—Rule 1 under paragraph 307 in regard to omission of pies in calculating the value of each item of work should be applied here also.

B.—DIRECT AND INDIRECT CHARGES.

445. Receipt and expenditure transactions in connexion with workshops are brought to account as follows :—

(*a*) Where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch (i.e., if the workshop is to be regarded as being, on a *quasi*-commercial basis), the capital expenditure should be recorded under the relevant division and subdivision of major head "68. Receipts representing recoveries of capital expenditure" will be taken in reduction of such expenditure while revenue receipts and working expenses will be booked under a new minor head, opened under the corresponding division and subdivision of the major head XVII, entitled "receipts from workshops," divided so as to meet the requirements of the *pro forma* accounts of the shop (vide paragraph 451).

(*b*) Where capital accounts are kept of a workshop intended mainly for the needs of the Civil Works Branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be recorded under the major head "50. Recoveries of capital expende" will be taken in reduction of such expenditure ;

revenue receipts will be booked under a new minor head, opened under the major head XXXIX, entitled "Receipts from Workshops," divided so as to meet the requirements of the *pro forma* accounts of the shop,

(c) Where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be booked under the major head, 18 or 50, as the case may be, and all receipts, whether "recoveries of expenditure" on "revenue receipts," under the minor head "Miscellaneous" of the corresponding revenue head XVIII or XXXIX.

NOTE.—The procedure indicated in clause (c) above is followed in Madras the expenditure and receipts being booked under 50, Civil Works and XXXIX, respectively.

446. All capital charges on buildings, plant and machinery, and stock materials, and all Revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be accounted for as ordinary Public Works transactions under the major head concerned, in accordance with the preceding article and under the general rules of other chapters of this Code. There are charges which neither pertain to any individual job executed in the shops, nor are capable of direction apportionment amongs all the jobs, and are, therefore, met out of the grants of the Department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 449,

447. All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore, be accounted for under the suspense head Workshop Suspense (vide paragraphs 437 to 440). The charges pertaining exclusively to any job should be debited to it at once, and those of a general nature should be treated, in the first instance, as general charges (under one or more suitable heading) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

1. This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraphs 446 and 2, 3.

2. All liabilities should be taken into account, even though undisbursed, so that the general charegs may be correctly allocated month by month, and the recorded expenditure on each job may represent, as far as possible, the actual cost up to date.

448. In these case of jobs of all classes, the cost of operations should be charged off or adjusted in transfer (paragraphs 438), as the case may be, month by month, but in the following cases the accounts of a job may be settled once a year in March, or in an earlier month if the job is completed earlier (vide paragraph 439):—

(a) When the total cost during the year is not larger than Rs, 500 or any other limit that may be fixed in consultation with the Accountant-General.

(b) When the monthly settlement of account is inconvenient to the indenting division or department.

1. When the estimated cost of job is recovered in advance, it should be kept in deposit, in the first instance, and the adjustments of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

2. When an employee of the division is exempted, under paragraph 357 of the Madras Public Works Department Code, from paying the estimated cost of a job in advance, the cost of the operations should be charged monthly to the head Miscellaneous Public Works Advances pending recovery which is usually made by deduction from pay.

449. In addition to the direct charges referred to in paragraph 447, the account of each job should be debited, not through the Workshop Suspense account but directly under the head of account concerned, with suitable percentages to cover the indirect charges enumerated below.—

(a) Supervision charges under paragraph 331 (*a*) of the Madras Public Works Department Code.

(b) Interest on the capital cost of buildings, plant and machinery.

(c) Maintenance charges of buildings, plant and machinery.

(d) Depreciation of buildings, plant and machinery.

(e) Establishment charges (including 1[1] per cent on Account of Audit and Account Establishment)—See rule 5 (e) of Appendix 7.

See also paragraph 446.

The percentage for supervision charges should be calculated on the value of materials issued to each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job.

It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions of the Province.

1. The percentage realized on account of establishment charges is treated as reduction of expenditure, or, as revenue receipts, as the case may be, in accordance with the rules in Appendix 7. All other percentages are treated as revenue receipts.

450. The indirect charges referred to in paragraph 449 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 448.

C.—ANNUAL ACCOUNT AND REVIEW.

451. Annually, *pro forma* accounts of each workshop should be prepared, consisting of—

(i) the Capital Accounts, showing the values (after making due allowance for depreciation) of the buildings, machinery and plant, and stock, and the outstanding balance of the Workshop Suspense Account,

(ii) the Outturn Account showing, in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges, and

(iii) the Profit and Loss Account showing on the one side the actual working liabilities of the year, e.g., (a) interest calculated on the mean capital of the year under all the heads named in (i) above, (b) the actual maintenance charges of buildings and machinery and plant, (c) depreciation of building, machinery and plant calculated on the capital value thereof, and (d) general establishment charges *plus* (1) a suitable addition thereto on account of leave and pensionary charges and (2) 1 per cent for audit and accounts establishment, only on such jobs in respect of which this percentage is not credited to the major head " 26. Audit " or " XLVI. Miscellaneous —Fees for Government Audit " in the regular accounts (vide rule 2 to paragraph 11 of Appendix 7) ; and on the other side the percentage charges made under paragraph 449 excluding the 1 per cent for audit and accounts establishment credited to " 23 Audit " or " XXXV. Miscellaneous—Fees for Government Audit," under rule 1 to paragraph 11 of Appendix 7.

1. The stock account should be treated as a part of the workshop account, only if, and to the extent, the reserve stock is declared by the Local Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjunct to a workshop, either the interest charges on it nor the losses or gains (including supervision charges) arising out of it, should appear in the profit and loss account of the workshop.

452. The Accountant-General shoud review the annual accounts of a workshop, in consultation with the officer in charge of it, and submit a report to the Local Government on its financial working, specially bringing out the necessity or otherwise of revising the percentages fixed by the Local Government for the several charges referred to in paragraph 449 above.

1. To facilitate the review of percentages it will be found convenient to show in the profit and loss account, not only the figures of the year but also the progressive figures to the close of the year, commencing from a suitable date.

CHAPTER XIV.—DEPOSITS.

A.—INTRODUCTORY.

453. Deposit transactions of the Public Works Department are of two kinds :—

I. Public Works Deposits, which pass through the regular accounts of the division.

II. Interest-bearing Securities.

Deposits of the first kind comprise transactions of the following classes, which are passed through the account head Public Works Deposits :—

(*a*) Cash deposits of subordinates as security.
(*b*) Cash deposits of contractors as security.
(*c*) Deposits for work to be done.
(*d*) Sums due to contractors on closed accounts.
(*e*) Miscellaneous deposits.

The interest-bearing securities referred to in class II are deposited by subordinates and contractors. These do not pass through the regular accounts of the division.

NOTE.—Sums of less than eight annas due for refund of revenues or repayment of deposit should be credited to Revenue.

B.—SECURITY DEPOSITS.

454. Security deposits of subordinates and contractors, whether made in cash or in one of the forms of security referred to in paragraph 455 are covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated. Reference to such bond or agreement should be recorded in the Deposit Register or the Register of Securities, as the case may be.

455. The recognized forms of Interest-bearing Securities, and the rules to which they are subject, are indicated below :—

(*a*) Government Securities other than Post Office Cash Certificates and Defence Savings Certificates. (*b*) Municipal Debentures and Post Trust bonds.	Under the rules in Chapter VIII of the Government Securities Manual issued by the Controller of the Currency. Such securities furnished by contractors shall be endorsed in all cases in favour of the Eexecutive Engineer concerned.
(*c*) Post Office Cash Certificates and Defence Savings Certificates, (*d*) Post Office Savings Bank Pass Books.	Under the rules for Cash Certificates, Defence Savings Certificates and Savings Bank account issued by the Post Office.
(*e*) Deposit Receipts of recognized banks approved by Government.	The depositor should be required to get the receipts made out in the name of the pledgee. If the deposit be for more than twelve months, the receipts should be forwarded to the Accountant-General for custody, otherwise they should be retained by the Divisional Officer. The depositor should receive the interest, when due, direct from the bank, on a letter from the pledgee authorizing the bank to pay it.

NOTE 1.—Where Government securities, municipal debentures or Post Trust bonds are tendered as security, they should be accepted as their face value or at market price whichever is less and action should be taken as prescribed in Article 289 of the Madras Financial Code, Volume I.

NOTE 2.—Post Office Cash Certificate and Defence Savings Certificates should be accepted only for the amount at which they were purchased *but not for their face value.*

NOTE 3.—The Banks mentioned under Article 279 (5) of the Madras Financial Code, Volume I, are recognized Banks approved by Government for purposes of rule (*e*).

456. Security deposits lodged in the Post Office Savings Bank should be hypothecated to the Divisional Officer or to the Subdivisional Officer if this has been specially authorized by Government. The Bank Pass Books should remain in the custody of the officer to whom the deposits are pledged.

1. All the Pass Books should be sent to the Post Office as soon as possible after the 15th June each year in order that the necessary entries on account of interest may be made in them.

457. Cash deposits of subordinates and contractors may be converted, at the cost of the depositor, into one or more of the forms of interest-bearing securities, provided

(i) that the depositor has expressly desired this in wiritng, and

(ii) that the acceptance of the new form of security is permissible under the rules as well as under the terms of the agreement or bond.

1. Cash which has actually been received or recovered may be converted even though the full amount of the deposit, which is being paid in instalments, has not yet been realized.

NOTE.—Percentage deductions from a contractor's bill for the due fulfilment of a contract should not except in the following cases be invested in Government securities.

EXCEPTION.—(1) Contracts entered into under the new lump-sum contract form, whenever the withheld amounts reach Rs. 1,000 or multiples thereof, subject only to the condition that the date of progress contained in the Articles of Agreement is properly maintained—*Vide* clause 69 (*b*) of the preliminary specification to the Madras Detailed Standard Specifications.

(2) Contract entered into under the old lump-sum contract form subject to the condition that the Chief Engineer specially authorizes the concession of converting the withheld amounts into interest-bearing securities, in cases in which the withheld amounts reach Rs. 10,000 or a multiple thereof.

458. Percentage deductions on account of security made from contractors' bills, should also be credited to the head "Public Works Deposits." As an exception to this general rule, the security may be exacted by withholding from payment the required percentage of the value of work actually measured and passed, if the total amount recoverable on this account during the official year in any case is so small that its exclusion from the works outlay of the year is not likely to affect the grants appreciably. The limit fixed for the purpose of this rule is Rs. 500 for each work. Accounts thus withheld appear in the suspense account "Contractors— Other Transactions" of the work concerned—vide paragraphs 354 and 358.

NOTE.—The rule in the first sentence of the above paragraph does not apply to works executed under contracts based on lump sum tender, as defined in the Madras Detailed Standard Specifications *except* in the following respect, viz., that the amount withheld from the final bill for such works at 2½ per cent on the total value of the work done will be credited to the head "Public Works deposits" until it becomes due for payment under the terms of the contract.

459. Without the special orders of competent authority, no security deposit should be repaid or retransferred to the depositor, or otherwise disposed of, except in accordance with the terms of his agreement or bond.

1. The depositor's acknowledgment should be obtained in all cases of security returned. When an interest-bearing security is returned or re-transferred, the acknowledgment should set forth the full particulars of the security.

NOTE.—Under the piece-work contract system, the 5 per cent deduction from bills which is held as security should not be refunded till the final bill is prepared and passed.

C.—OTHER DEPOSITS.

I.—For Works.

460. Deposits for works are passed through the head "Public Works Deposits." Such works are kown as Deposit Works and the detailed rules relating to them are given in Chapter XV.

II.—Contractor's Closed Accounts.

461. Under the rules in paragraph 361 sums due to contractors on closed accounts may be placed in the deposit account. When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgment should set forth such particulars as would establish the settlement of his account in connexion with the work concerned.

III.—Miscellaneous.

462. All other deposits are classed as Miscellaneous Deposits. This head also holds, until clearance, all items of receipt, the classification of which cannot at once be determined, or which represent errors in accounting awaiting adjustment.

D.—LAPSED AND CONFISCATED DEPOSITS.

463. In the accounts for March each year, the following classes of items in the Public Works Deposit account should be credited to Government as lapsed deposits :—

(i) Original deposits not exceeding five rupees remaining outstanding for one whole account year,

(ii) Balances not exceeding five rupees of items partly cleared during the year then closing,

(iii) Balances unclaimed for more than three complete account years.

1. For the purpose of this rule the age of a repayable item, or of a balance of it is to be reckoned as dating from the time when the item or the balance, as the case may be, became first repayable. *See* also note 4 to article 359, M.F. and A.C., Volume I.

464. Deposits credited to Government under paragraph 463 or confiscated under the provisions of an agreement or bond, cannot be repaid without pre-audit by the Accountant-General who will authorize payment on ascertaining (1) that the item was really received, (2) that it was credited to Government as lapsed or confiscated, and (3) that the claimant's identity and title to the money are certified by the Divisional Officer. The amount repaid should be treated as a refund of receipts under the major head to which it was credited and the repayment should be noted in the Deposit Register against the entry for its credit to Government—vide paragraph 275.

E.—ACCOUNTS OF PUBLIC WORKS DEPOSITS.

I.—Deposit Register.

465. A record of the transactions relating to Public Works Deposits should be maintained in the divisional office in a register in the same form as the Suspense Register, Form 67 (P.W.D. VI-20). This Deposit Register should show, month by month, the total receipts and adjustments and the closing balance of each separate deposit item ; but in respect of deposits for work to be done which are accounted for in detail in the Schedule of Deposit Works, Form 65 (P.W.D. VI-101 to 103), single entry for all such deposits will suffice.

II.—Schedule of Deposits.

466. From the Deposit Register a monthly extract, known as the Schedule of Deposits, Form 78 (P.W.D. VI-31), and showing for each item the opening balance, the receipts and adjustments of the month, and the closing balance, should be prepared for submission to the Accountant-General. The entry for deposits for work to be done will be supported by the Schedule of Deposit Works.

NOTE.—The schedule should also include cost of all Court of Wards' Estate works entrusted to the Public Works Department for execution.

467. In the case of divisions where the total number of outstanding items under Public Works Deposits is usually very large but the number of items affected by the monthly transactions is small, the Accountant-General may authorize the preparation of the Schedule of Deposits in the alternative Form 79 [P.W.D. VI-31 (*b*)]. This form is in two parts—Part I, Abstract Account, giving the totals for each class of deposits, and Part II, detailed extract from the Deposit Register. In Part II only such items need be extracted from the deposit register as are affected by the month's transactions, but in the schedules for the months of June, September, December and March all current items should be shown, including those not affected by the month's transactions.

F.—ACCOUNTS OF INTEREST-BEARING SECURITIES.

468. Transactions connected with interest-bearing securities do not pass through the cash book and consequently the regular accounts of the division, unless any cash actually passes through the hands of officers of the department, which should be avoided as far as possible. A register of the receipt and disposal of these securities should, however, be kept in Form 85 (P.W.D. VI-104), Register of interest-bearing securities, and at the close of the year an account in Form 86 (P.W.D. VI-105), Account of Interest-bearing Securities, should be prepared from this register for submission to the Accountant-General. Thi account should be supported by (1) the acknowledgments (in original) of the depositors for securities returned or retransferred to them during the year and (2) the certificate of the Divisional Officer that all securities shown as outstanding in this account, or their acknowledgments by the authorized custodians (vide paragraph 455) are in his possession.

1. If a security recovered in instalments is being deposited in the Post Office Savings Bank, no entries should be made in respect of it in the register in Form 85 (P.W.D. VI-104) until the security has been fully paid up. The annual account in Form 86 (P.W.D. VI-105) prepared from the register in Form 85 (P.W.D. VI-104) should be completed in respect of the securities in course of recovery, by taking the recoveries of the period covered by the Account from the Deposit Register, verifying them at the same time with the actual recoveries as shown in the Register of Recoveries (paragraph 546).

2. If any Post Office Savings Bank deposits have been hypothecated to a Subdivisional Officer under paragraph 456, the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

3. When a subordinate who has furnished an interest-bearing security is transferred to another division or department, the security should be kept in the original division until such period as is specified in the agreement, to cover any amounts that may be subsequently ordered for recovery in respect of the period during which he was under the original Divisional Officer. At the end of the period, tho security should be released from the pledge and passed on to the new Divisional Officer or a responsible officer of the department to which he is transferred, for returning the security to the pledger and sending his acknowledgment to the Divisional Officer concerned. In case the new post of the subordinate is also one in which a security should be furnished, the officer concerned should immediately take the necessary steps to get a formal agreement and to have the securities duly pledged in his own favour. The acknowledgment mentioned above should, however, be obtained and sent to the first officer. No security need be insisted upon by the second officer until the original is transferred and is duly pledged, but he should satisfy himself, by a reference to divisional office from which the subordinate was transferred, as to the amount of security lodged there, the sufficiency thereof, and the likelihood of recoveries that may be made before its transfer. There should be a provisio in all security bonds that the security shall be available as security for any new post to which the officer may be transferred.

CHAPTER XV.—NON-GOVERNMENT WORKS.

A.—INTRODUCTORY.

469. Non-Government Works are divided into two classes :—(1) Deposit Works and (2) Local Loan Works.

470. The general rule for the exhibition in accounts, of transactions relating to contributions from Central or Provincial Revenues to Local Funds and public bodies, and *vice versa,* as contained in Chapter 6 of the Audit Code, is reproduced below :—

Contributions made by the Central or the Provincial Government to District Boards, Municipalities, etc., or *vice versa,* will be charged as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus a grant for the construction of a church will be debited to " 32. Ecclesiastical " ; a grant for the construction of a school to " 37. Education " ; a grant for the construction of a drainage system to " 39. Public Health " ; and a grant for the construction of roads to " 50. Civil Works " ; while a grant given for general purposes, such as grant to make good a deficit or as compensation for revenue resumed, will be classified under " 57. Miscellaneous."

1. If a work for which Government give financial assistance is executed as a deposit work by the Public Works Department on behalf of a local body, the Government's contribution should not be paid in cash to the local body, but should be adjusted by transfer of credit under the head " Public Works Deposits " and debited to " Grants-in-aid " under the Public Works—Major head concerned, irrespective of the object of the assistance. The deposit account of a local body which has not withdrawn its balance from the Treasury will simultaneously be credited and debited with the amount. Ordinarily, in the case of

(*a*) contribution works which are executed partly from Government funds or grants-in-aid and partly from the funds of local bodies and also in the case of

(*b*) irrigation contribution works (vide paragraph 207, Madras Public Works Department Code) which are financed partly by the Government and partly by private bodies, the Government contribution or an instalment of it will be paid only after the local body has paid out of its own funds a corresponding amount, *e.g.*, in the case of a work costing one lakh to which the Government have undertaken to contribute Rs. 75,000 an instalment of Rs. 30,000 may be paid by Government as soon as the local body makes a payment of Rs. 10,000. The bills on which the Government contribution is adjusted in this manner should be countersigned by the Executive Engineer who should see that the rule is observed. If in the case of works of class (*a*) and (*b*), it is considered *not* desirable to suspend the works pending receipt of contribution. Government money may be spent in advance of its turn, but interest shall be charged on the amount so spent for the period it is advanced. In such cases, demand for payment of the contribution shall ordinarily be made at least a month before the money is required, and the date on which it should be paid shall be stated in the demand, and interest will accrue from that date or from such later date on which Government money may be actually advanced. If there are not sufficient Government funds in a year to be utilized on the works pending receipt of the contribution due from the local body or private body concerned, orders of Government shall be obtained for the provision of funds in proper time. In cases where the excesses are comparatively small appropriation to cover such excesses as are not expected to be cleared before the end of the financial year shall be obtained from Government in December of each year under the suspense head " Miscellaneous—Public Works Advances."

The rule regarding recovery of interest on Government money spent in advance of its turn may be relaxed in the case of the amount spent in advance of the first instalment payable by a local body for a contribution work which is partly financed by that body by means of a loan. For Government money spent in advance of the second and subsequent instalments, interest shall be charged unless in any case Government decide not to charge interest.

2. A contribution paid by a local body or a private person or body with the express object of meeting the whole or part of the cost of construction, by the Public Works Department, of a specific work which is eventually to be the property of Government, should be credited in the Public Works accounts to the Debit head " Public Works Deposits." The contribution should, for accounts purposes, be divided into two parts, one representing a share of works expenditure and the other the usual percentages on that share to cover charges for establishment, tools and plant, and pension and the expenditure as actually incurred together with the percentages should be charged against it. No charge for audit and accounts should be levied in such cases.

471. In the Public Works accounts, contributions made to local bodies are charged to the minor head " Grants-in-aid " under the major head " 50. Civil Works, or " 18. Other Revenue Expenditure," as the case may be—*see* also rule 1 to paragraph 393.

472. When works already constructed, or land already purchased are transferred, free of charge, to local bodies under the provisions of paragraph 165 or of note to paragraph 239 of the Madras Public Works Department Code no re-adjustment of the amounts of cost is necessary.

473. For every non-Government Work there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same as for a Government Work.

B.—DEPOSIT WORKS.

I.—General.

474. When a deposit work is to be carried out, the local body or other party concerned should advance the gross estimated expenditure or the share which is payable by it, to the Divisional Officer in one lump sum, or in instalments and by such dates as may be specially authorized by a competent authority subject to the control of the Local Government—vide note to paragraph 203 of the Madras Public Works Department Code. No non-Government work shall be executed before receipt of contribution therefor without the special orders of Government except in the cases specified in rule 1 under paragraph 470 of the Code. Where payment in instalments is authorized owing to the difficulty of depositing the full estimated amount in advance in the case of large works, the Divisional Officer should forecast his probable requirements on each such work for the succeeding month and apply to the local bodies concerned for funds and the latter should without delay pay the instalments to the Divisional Officer. The amount received should be credited in the amounts to the head "Public Works Deposits" against which will be charged all expenditure incurred up to the amount of the deposit. As regards the expenditure in excess of deposits—*see* paragraph 421..

1. If prepared, the local body concerned may be authorized to pay the deposit direct into the treasury. In this case, the accompanying chalan should state clearly that the amount is creditable to the Public Works Department, naming the division and the work to which the deposit relates.

2. In the case of a local body which has not withdrawn its balance from the Government treasury, it may be authorized to draw a cheque on the treasury in favour of the Executive Engineer and this will be paid at the treasury by transfer credit to the Executive Engineer's account (Public Works Deposits). Similarly for the unspent balances the Executive Engineer will draw a cheque in favour of the local body by transfer credit to the deposits of local funds.

3. In cases where the maintenance of roads on the banks of rivers, canals and channels, devolves entirely on local bodies, and the works pertaining thereto are executed by the Public Works Department as full contribution works, if the Executive Engineer considers it undesirable to suspend the works pending receipt of contribution from the local bodies, Government money may be spent in advance, interest being charged on the amount so spent. When this course is adopted the procedure indicated in the last three sentences of the first sub-paragraph of note 1 under paragraph 470 of the Madras Public Works Account Code should be followed.

475. A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in Form 65 (P.W.D. VI-101 to 103), Schedule of deposit Works. This schedule shows, in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up to date.

1. Refunds of unexpended balances of completed works should be taken in reduction of the deposits, and therefore, shown in the schedule as *minus* realizations and not as expenditure.

476 In the case of deposit works to which Government have contributed no refund should be made to a local or other body from any unexpended balance at the credit of "deposits" without the sanction of Government. The Executive Engineer should report through the Superintending Engineer and the Accountant-General the actual cost of the work, the shares to be borne by the local body and by Government, the amount actually contributed by each, and the amount refundable. After verification by the Accountant-General, sanction will be accorded to the funder. The Executive Engineer should then refund what is due to the local or

other body and credit the unexpended balance of the Government contribution to the Civil Department through the remittance head by a *minus* credit to the head "Public Works Deposits." The Accountant-General will adjust this amount by credit to the service head to which the contribution was originally debited.

Exception.—In the case of water-supply and drainage schemes financed partly by the local bodies and partly by the Government, the matérials that remain surplus at the site of the works after their completion, shall be taken over by the local body concerned. For the purpose of this transaction, the surplus materials shall be valued at 50 per cent of their book value. Of the amount so arrived at, a share proportionate to the local body's share of the total cost of the work shall be treated as the local body's share of the credit realized by the sale of the materials, and the balance shall be recovered from the local body; the former amount should by book adjustment be exhibited as a minus credit to "deposits" in the divisional accounts, representing refund of unspent balance set off against a corresponding minus debit afforded to the same head as reduction of expenditure on the work. The amount actually recovered from the local body on account of the surplus materials should be credited in full to the Government share of the expenditure in the divisional accounts supported by a sale account in the proper form. The report or statement to be furnished to the audit office for verifying the correctness of the refund of the unspent balance should contain brief particulars of the adjustment of the value of the surplus materials to facilitate check in the audit office.

477. The amount of each deposit should be rateably divided into two parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant, audit and accounts and pensionary charges, if any, recoverable under the rule —vide Appendix 7. In the schedule, the deposit received for each work should be numbered as a single item, but the transactions relating to the two parts of it should be shown separately, thus—

For Works expenditure .. ..
For Percentage charges .. ..

478. The percentage leviable should be adjusted month by month as the works expenditure is incurred, but the Accountant-General may authorize the adjustment to be made once a year in the accounts for March, provided that if the accounts of a work are closed in an earlier month, the adjustment must be made in that month.

II.—District Fund Works and Municipal, Cantonment and Port Trust Fund Works.

479. The procedure prescribed in paragraphs 474 to 478 above will apply.

C.—LOCAL LOAN WORKS.

480. The rules under which payments on account of Local Loan Works may be made in the Public Works Department are reproduced below :—

I. Every loan to a Municipality, Port Trust, Indian State, or other Corporation will be recorded in the books of the Civil Accountant-General concerned, and no part of it may be issued except under his orders . . .

* * *

II. No public department or public officer may incur any expenditure or liabilities against such loan funds, unless a statement in writing is first obtained from the Accountant-General that the amount is available out of the loan funds and has been placed in a separate account by the Accountant-General so as to be available for the proposed expenditure.

III.

IV. Funds spent by any public department or officer under Rule II shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or officer.

NOTE.—Rules II to IV may be modified at the discretion of the Government concerned.

481. Expenditure on a Local Loan Work, incurred in accordance with the foregoing rules and under orders of competent authority, should be accounted for as outlay against the sanctioned loan, under the head " Q. Loans and Advances by the Central Government " or " R. Loans and Advances by the Provincial Governments " as the case may be, and shown in the schedule of Debits to Miscellaneous heads of Account, Form 76 (P.W.D. VI-99), supported by a Schedule of Works Expenditure.

482. All charges debitable to a loan should be brought to account as they occur, so that the interest charges may be correctly calculated and adjusted in the Accountant-General's office.

1. This rule applies also to the percentages (vide paragraph 477) leviable under the rules which should, therefore, be adjusted monthly by inclusion in the Schedule of Works Expenditure.

483. The limit of funds set aside for expenditure on a work during the year should be ascertained from the Accountant-General by the officer authorizing the expenditure, and communicated to the Divisional Officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

D.—KUDIMARAMAT WORKS AND WORKS CONNECTED WITH RAILWAY- AFFECTING TANKS.

484. The following procedure is prescribed for the accounting of expenditure incurred by the Public Works Department (i) under Board's Standing Order No. 86 (5) and (6) when the ryots failed to do kudimaramat works—vide also paragraph 210 of the Madras Public Works Department Code and (ii) on the execution of measures in respect of any irrigation work for the protection of any railway under section 9 or 11 of the Madras Railway Protection Act IV of 1886.

In the case of kudimaramat works, the cost of the work done should be charged under the major head " 18. Other Revenue Expenditure financed from Ordinary Revenues—A. Irrigation Works " and the recoveries effected through the Revenue Department should be treated as " revenue receipts " under the major head " XVIII Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept—A-2 Irrigation Works—a. Direct Receipts—Miscellaneous." To ensure a regular watch being kept over the recoveries due, Executive Engineers should maintain a special register with columns to show—

(1) the estimated cost,
(2) the amount recoverable, i.e., the actual cost,
(3) the date of completion of the work,
(4) the amount actually recovered,
(5) the date of recovery, and
(6) remarks.

In cases where information as to the amount recoverable is available at the time of preparation of the estimate, it should be noted at once in column (2) of the register and if not, it should be noted as soon as it becomes available. The date of completion in column (3) and the particulars of recovery in columns (4) and (5) of the register should be entered by the Divisional Accountant who should also be required to submit the register periodically, say, once a month, to the Executive Engineer for inspection and the issue of necessary instructions regarding recoveries of amounts overdue after the completion of the work. The register will be scrutinized by audit during the local inspection of the accounts of the divisional office.

In the case of works connected with railway-affecting tanks, the expenditure on the work (including the centage charges) should be debited to the Railway Administration by book transfer month by month as it occurs, the recovery of the

centage charge—vide note below—being adjusted as laid down in rule 11 of Appendix 7 to this Code. When recoveries from landholders are effected through the Revenue Department, the full amount of the recovery which will include the centage charges should be credited to the Railway Administration concerned.

NOTE.—In the case of works connected with railway-affecting tanks, centage charges will be calculated at the following percentage :—

For establishment	10½	per cent on the works outlay
For tools and plant	1	do.
For audit and accounts	1	do.
For pensionary charges	1½	do.
Total ..	14	do.

Centage charges at the above rates should be levied (a) in cases where advance payment is made and (b) in cases where it is paid later without resort to a civil suit. If a suit is necessary, only the actuals limited to 14 per cent or the works outlay, even though the actual expenditure may exceed 14 per cent, should be claimed in the plaint. As the particulars necessary for the purpose should be in the form of documentary evidence for production in courts, a separate account should be maintained in the case of all these works showing the items covered by centage charges, viz., time and travelling allowance of inspecting officers, hire charges of tools and plant and the like for the purpose. No charges for the preparation and checking of plans and estimates should be included in the account. This should be filed in the Court to show that the Government actually incurred that expenditure in connection with the execution of the work and that the claim is not merely an arbitrary one but is based on actual expenditure. If the question is raised in the Court why the Government have limited the claim to 14 per cent, it may be pointed out that this has been done in the interests of uniformity, as this is the percentage charged by Government in the case of works executed by them on behalf of local bodies and others.

CHAPTER XVI.—TRANSACTIONS WITH OTHER DIVISIONS, DEPARTMENTS AND GOVERNMENTS.

A.—GENERAL RULES.

485. The general rules under which one department of the public service may charge another department under the same Government, or any department under another Government, for services rendered or articles supplied to it, are given in Articles 82 and 180 of the M.F. and A.C., Volume I.

1. Save as provided in rule 3 of Appendix 5 to the Civil Account Code, Vol. I, all charges connected with the construction and maintenance of buildings, etc., will be brought to account as expenditure of the Public Works Department (Civil Works section) or of the civil department concerned according as the administration of the work rests with the Public Works Department or is transferred by competent authority from the Public Works Department to the department using or requiring it.

2 Rule 1 above applies only to works of the Central Government. As regards provincial expenditure, the Madras Government with the concurrence of the Auditor-General have decided to record all expenditure on the construction and repair of works transferred to the administrative control of civil departments (vide paragraphs 95 to 97 of the Madras Public Works Department (Code) under the minor head " works " to be opened under each of the major or sub-major heads concerned

3. The value of Public Works stores issued to other departments is chargeable to them under rule VI of Appendix 5 to the M.F. and A.C., Volume II.

486. The cost of land acquired by the Civil authorities on behalf of the Public Works Department is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up ; but when it is taken up for two or more non-commercial departments conjointly, the charge is not divided, but is wholly debitable to the department for which the greater part of the land was taken up. As regards establishment and contingent charges in connexion with such acquisition, *see* Article 235 of the M.F. and A.C., Volume I.

The law charges incurred on civil suits in connexion with the execution of Government works fall under three categories, namely :—

(1) the amount of the claim for which a decree is given ;

(2) the amount of the incidental law charges incurred by the executing department in connexion with a work financed from its own departmental heads of expenditure, e.g., when the Public Works Department carries out a work chargeable to the Public Works heads of expenditure ; and

(3) the amount of incidental law charges incurred by the executing department when acting as an agent in connexion with a work financed from a different head of expenditure for instance, when the Public Works Department executes a work the cost of which is debitable to a head other than the Public Works heads of expenditure, e.g., General Administration, Medical, etc.

Charges falling under category (1) above, viz., decretal amounts should in all cases be debited to the work concerned and booked as expenditure charged on the revenue of the Province. The charges referred to in item (2) should be debited to the sub-head " Establishment—Contingencies " of the executing department. As regards charges mentioned in item (3). the amount should generally be borne by the department on whose behalf the work is undertaken. In exceptional cases, however, where it is established that the law suit has been caused by a deliberate act of an employee of the Agent department for his personal gain, the charges should be adjusted by recovery from the individual concerned or by debit against the standing charges of that department according to the merits of each case.

487. The rent of buildings hired for use as residences of Government servants of any civil non-commercial department is chargeable in the accounts of that department to which the work of leasing the buildings has been assigned by His Excellency the Governor. Similarly, when any land or building not belonging to the Public Works Department is hired by another department to be occupied for any other public purpose, the rent is payable by the department concerned, and Divisional Officers do not disburse rent for such premises unless ordered by Government to do so.

When buildings which are requisitioned or leased by the Government for non-residential purposes, fall vacant for short periods, rent payable for such short periods, should be borne by the department which occupied the building before it was vacated except in cases where the buildings are specially vacated for occupation by a particular department when the particular department concerned should bear the rent.

In these cases rent for periods during which the building might be vacant should be debited to " 50. Civil Works—d. Repairs."

488. When with reference to note (3) under paragraph 98 of the Madras Public Works Department Code, jail works are executed by the Public Works Department departmentally the cost of the jail labour employed thereon calculated at the rate of 2½ annas per man per day should be debited to the work by a corresponding credit to the Jail department. When jail works are executed by private contractors the cost of the jail labour supplied to them should be debited to the contractor's account and credited to the Jail department.

489. When any land or building is transferred from one department to another under the same Government, the transfer shall be free of all charge, except when the property is transferred to or from a commercial department, in which case the full market value of it will be charged.

490. Services may be rendered, or articles may be supplied, free of cost, by one division to another under the same Government (vide Article 180, M.F. and A.C., Volume I) except in the following cases :—

(i) *Stores.*—If they are issued from a Stock or Materials account (vide paragraphs 354 and 355) or if their transfer affects a work for which a separate capital or revenue account is kept.

(ii) *Other Services.*—If they affect the accounts of (*a*) any work for which a separate capital or revenue account is kept, (*b*) of a work in progress, or (*c*) Suspense or Deposits.

491. Cash recoveries made from employees, contractors, etc., as also revenue realized, by a division on behalf of other divisions, departments or Governments, should be passed on to them, the payment being made by book transfer unless payment in cash is prescribed by rule as sometimes happens, in the case of other departments. Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries, are accounted for as remittance transactions.

B.—ACCOUNTS PROCEDURE.

492. When a transaction has to be cleared by a book transfer under the foregoing rules, the transfer should be effected by debiting or crediting it to the remittance head concerned in the Cash or Stock accounts if it appears therein, or by an entry in the Transfer Entry Book. *See* also paragraph 557 in respect of cash obtained from treasuries on cheques.

1. Such percentage charges on account of storage and establishment and tools and plant as may be leviable under the rules, should also be included, by a transfer entry in the amount transferred. See also paragraph 449.

2. The cost of workshop jobs need not be adjusted monthly—vide paragraph 448.

493. In cases, however, in which the transaction originates in another division or department, the responding transfer should, as a rule, not be made until receipt of intimation of the original debit or credit, either through the Accountant-General or direct from the division or department concerned on an Advice of Transfer Debit or Credit (paragraph 498 *et seq.*). Exceptions to this rule may, however, be authorized by the Accountant-General in respect of transactions of any class.

1. Debits on account of rent realized, on behalf of the Public Works Department, by disbursing or Audit Officers of other circles of audit may be raised in anticipation of the corresponding credits, provided that they are supported by certificates in Form 48 (P.W.D. VI-49), Statement of Rents recoverable in cash or by deduction from Pay bills, signed by those officers. *See* paragrapah 270.

2. All entries in the schedule of credits to Civil Department will be advised by the Accountant-General, but there is no objection to the P.W.D. raising credits to the civil department for forest supplies in anticipation of debits appearing in the exchange accounts.

494. The responding division should examine every transfer advised to it for adjustment, but it may not reject a transfer because the voucher is not in order, or is missing. Nor may a transfer advised be partly accepted and partly rejected; it may be rejected altogether if it does not pertain to the division; otherwise it should be provisionally accepted in full and the dispute, whether as to the amount chargeable or as to other particulars of the transaction, should be settled separately in communication with the officer who advised the transfer. *See* also paragraphs 499 and 500.

1. Railway debits for amounts due on warrants and credit notes should be accepted in full in the account of the month in which they are raised in the Railway Exchange Account without reference to the issuing officers whose signatures on such warrants or notes should be taken as final, subject only to readjustment, later on, of or under overcharges. The responding offices is not responsible for the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the propreity of the charges as against the head of the service concerned; the calculations made by the Railway Accounts Department, which are best checked by the Railway Audit Department, should be accepted as correct.

495. When a charge is transferred to another division, department or Government for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects, or by a certificate signed by the Audit Officer of the department originating the transfer to the effect that the payment vouchers have been duly audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

496. When a transaction originates in a Public Works division, the necessary transfer should ordinarily appear in the accounts of the division for the month in which the transaction occurred, but in the case of work done in workshops the cost is adjustable in accordance with the rules in paragraphs 447 to 449.

497. In respect of work done in a division for other divisions, departments, or Governments, the intimation of the transfer will be given, after audit, by the Accountant-General to the Audit Officer concerned, or to the division or department for which the work is done, if in the same province. The division undertaking the work is responsible that the transactions are brought to account under the remittance head concerned, and that works accounts are maintained and vouchers submitted to the Accountant-General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work, as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it.

1. For the purpose of this article work done includes jobs executed in workshops.

2. In the case of works which are assessable to percentage recoveries on account of establishment, tools and plant, etc., the amount of the estimate and appropriation for the work should be rateably broken up into two parts to represent, respectively, the works expenditure and the percentage charges.

498. For other transfer transactions between Public Works divisions of the same or different provinces, the orignating division should send an advice of Transfer Debit (or Credit), Form 55 (P.W.D. VI-36) accompanied by necessary vouchers in the case of debits, to the divisions concerned, as soon as the transaction occurs. The responding division should, if it accepts the transfer, acknowledge it on Form 56 (P.W.D. VI-37), Acceptance of Transfer. The debiting division will be responsible that the entry in its accounts is supported by the Acceptance of Debit, or Advice of credit, as the case may be.

1. In cases of transfer debit transactions, all relevant vouchers, including such as do not ordinarily pass beyond the divisional office, should accompany the Advice. If this requirement cannot be complied with, in any case, in respect of a cash voucher which cannot be replaced by a certificate under Rule 1 to paragraph 154, the Advice should be attached to the monthly account for transmission by the Accountant-General, after the audit of accounts, to the division concerned.

499. In cases in which Advices and Acceptances of Transfer are exchanged direct by the Divisional Officers of two provinces, those officers will be jointly responsible for clearing remittance transactions expeditiously in direct communication with each other. If an item cannot be accepted, and the intimation of its rejection issues too late to reach the originating officer within the month in which he has brought it to account, the officer who is called upon to respond to it, should also inform his own Audit Officer, giving brief particulars of the debit or credit, and of the grounds of objection with the number and date of the originating officer's Advice of Transfer and of his own intimation of objection.

500. In cases in which no Advices and Acceptances of Transfer are exchanged, the Divisional Officer is required to examine, as expeditiously as possible, the transfers which his Accountant-General intimates to him to be responded to, and to report all his objections to the Accountant-General whether the transfer is brought to account provisionally or rejected.

501. The procedure prescribed in paragraphs 499 and 500 applies *mutatis mutandis* to transfer transactions, not relating to the execution of works, with (1) Railways, (2) Military Works Services and (3) Posts and Telegraphs (Telegraph Section).

502. Except in respect of transactions of the following classes, the Divisional Officer may authorize the Divisional Accountant to sign advices and Acceptances of Transfer for him :—

(i) when the transfer advised is a credit or *minus* debit,

(ii) when the transfer accepted is a debit.

So far as the Public Works Stores Division, Madras, is concerned, the Assistant Superintendent of Stores is authorized to sign advices and acceptance of transfer in the excepted cases mentioned above.

503. The Divisional Accountant will be responsible that there is clear authority of the responsible disbursing officers of his division for transfers advised to other divisions or departments, and that no charge advised by another division or department is considered as finally adjusted until all the necessary vouchers have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that, when a transfer advised to the division for adjustment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement.

CHAPTER XVII.—PAY AND ALLOWANCES.

A.—INTRODUCTORY.

504. The pay and allowances of Government servants of the department not charged directly to works, as well as all personal advances sanctioned by competent authority, are drawn from treasuries on bills in forms, and in accordance with the rules prescribed in Chapters I, III, IV, V and X of the M.F. and A.C., Volume I, and Appendix 8 to the M.F. and A.C., Volume II, which are applicable to the Pub ic Works Department subject to the special rules laid down in this chapter and in the Madras Public Works Department Code.

1. The sanction of competent authority to personal advances may, if preferred, be obtained in the form of countersignature on the bill itself before it is presented at the treasury.

2. Payments to members of the department on account of rewards for passing examinations in languages should not be made without obtaining the previous authority of the Accountant-General—*see* Article 120 of the Madras Financial and Account Code. Such payments are classified under "Allowances and Honoraria, etc."

B.—PREPARATION OF BILLS.

505. Bills paid at treasuries are incorporated in the general accounts of the province by the Audit office. Drawing officers are, however, responsible that (1) the name of the circle of superintendence and (2) the major head and other particulars necessary for determining the accounts classification (vide paragraph 2 of Statement D of Appendix 4, and paragraphs 2 and 3 of Appendix 7) are recorded on each bill.

1. The cost of any special establishment for acquisition of land, entertained under orders of Government by a Civil Officer acting as a Public Works Disburser, is chargeable as the cost of the works concerned and not as general establishment charges (vide paragraph 285 of this Code and Article 235, M.F. and A.C., Volume I).

506. If as permitted by article 101, exception (*b*) of the M.F. and A.C., Volume I, emoluments up to the date of transfer are not drawn before Government servant proceeds on transfer, emoluments for the whole month may be drawn in the new appointment, the allocation of the charge to the old and new appointments being clearly specified on the bill.

1. In the case of non-gazetted Government servants, the last pay certificate should give all the necessary information, so that the allocation may be correctly noted by the drawing officer in the bill of the new office. In the case of gazetted Government servants whose last pay certificates are prepared by Treasury officers, the responsibility for showing the correct allocation in bills rests with the officers themselves.

C.—ENCASHMENT OF BILLS.

507. Non-gazetted Government Servants' Bills should be presented at the nearest district treasury for payment. They should be accompanied by a memorandum signed by the drawing officer and specifying separately the amounts of (*a*) cash required for disbursements and remittances to be made in cash, (*b*) cash orders required on each of the sub-treasuries subordinate to the district treasury, for payments to be made to establishments stationed near the sub-treasuries and (*c*) remittance transfer receipts on other district treasuries for amounts which may have to be disbursed outside the district but within the jurisdiction of the drawing officer. *See* also article 326 (1) of the M.F. and A.C., Volume I.

The Executive Engineer of a division may in place of the system of obtaining cash orders on sub-treasuries for payment to establishments stationed near the sub-treasuries [as in item (*b*) above] adopt the system of presenting separate bills for such establishments direct at sub-treasuries. But one or other of these two systems must be followed throughout each division and not both.

D.—DISTRIBUTION OF PAY AND ALLOWANCES.

I.—General.

508. Special attention is invited to articles 137 and 141, M.F. and A.C., Volume I, prescribing the procedure for distribution of pay and allowances to establishments. Acknowledgments should, as far as possible, be taken on office copies of bills, but where this may not be convenient or advisable, as in the case of scattered establishments, consolidated receipts on acquittance roll, Madras Financial and Account Code, Form II, may be obtained, separately for each set of payments made at one place or at one time.

1. Acquittance rolls and receipted office copies of bills are not required to be submitted to the audit office, but as they are important records, they should be stamped " paid " and preserved carefully for the periods specified in Appendix XV to the Madras Public Works Department Code as amended by G.O. No. 33 P.W., dated 5th January 1932.

509. Cash drawn on pay and travelling allowance bills of establishments should not be mixed with the regular cash balances of the department (vide paragraph 134). To enable the disbursing officer to keep a proper watch over undisbursed amounts, an account " In Form No. 3-A prescribed in the Madras Financial and Account Code, Volume I," should be maintained in all Public Works Department offices. The account should be in charge of the cashier or other person in charge of the office cash book and should be signed by him after each day's transaction. The Manager of the office should verify the balance and record the result as often as possible.

1. This rule applies also to cash received by a subordinate officer for payment of pay and allowances of Government servants serving under him.

2. The entries made in the Amanath register maintained in subdivision offices need not be included in the Amanath register to be maintained in division office.

II.—Miscellaneous Recoveries from Establishment.

510. Ordinarily, recoveries on account of security deposits of employees should be made in cash when their pay is disbursed and should be credited in the cash book of the disbursing officer. When the amounts recovered have to be paid into a Post Office Savings Bank as Security Deposits, they should be forthwith remitted to the Post office.

1. The rule in this paragraph applies *mutatis mutandis* to all recoveries from employees which are creditable, under the rules, to some head in the complied accounts of the division.

E.—SPECIAL ARRANGEMENTS TO PREVENT DELAYS IN PAYMENTS.

511. If the encashment of a bill for an advance on transfer is likely to delay a transfer which is urgently necessary in the public interest, the advance may be made from the permanent advance (if any), works imprest or other available cash in the hands of the disbursing officer concerned, pending recoupment when the bill is subsequently encashed. In the accounts of such cash the amount advanced should not be charged off as a final transaction, but recorded as a temporary advance, so that the amount may continue to form part of the cash balance for which the disbursing officer is responsible.

F.—COMMUNICATION OF SANCTIONS TO AUDIT.

512. All orders revising sanctioned scales or sanctioning the creation or abolition of permanent or temporary appointments should at once be communicated by letter to the Audit office.

513. In the case of all transfers of divisional, subdivisional or other executive charges, a report of transfer of charge should be prepared in the manner prescribed in Article 126, M.F. and A.C., Volume I, and sent to the Audit office through the Superintending Engineer. Whenever the transfer of charge is prolonged so that two Government servants may be entitled to draw pay and allowances simultaneously for the same appointment. (*See* Audit Instructions under Fundamental Rule 107). The Superintending Engineer should intimate to the Audit office if the time taken is reasonable and the relieving officer may be considered as on duty for the period. If, however, the Superintending Engineer considers the time taken in making over and receiving charge to be excessive, the relieving officer must be treated as if he were on leave or on joining time, etc., as the case may be, for as much of the time as may be regarded as excessive.

CHAPTER XVIII.—CONTINGENT CHARGES.

A.—MODE OF OBTAINING CASH.

514. Cash required to disburse contingent charges is obtained from treasuries directly by bills, i.e., in the same way as cash required for payment of pay and allowances.

1. Under this method the charges do not enter the divisional accounts at all, though ultimately in the Audit office they are charged against the appropriations to which they relate.

B.—GENERAL RULES.

515. The rules in Chapter VI, M.F. and A.C., Volume I, and Appendix 12 of the M.F. and A.C., Volume II, apply generally to the Public Works Department to the extent that they may not be inconsistent either with the authorized method of obtaining cash for contingent charges (vide paragraph 514) or with any of the special rules in this Code.

516. The expression "Contingent charges" as used in Public Works accounts does not include charges which under the rules in Appendix 4 are classified under some other head of expenditure, e.g., Works, Repairs and Tools and Plant. Supplies and Services, though classed as a distinct head of account, are governed by the rules applicable to contingent charges.

1. The following rules have been laid down for differentiating between the heads "Contingencies" and "Supplies and Services":—

Contingencies comprise those charges which are incidental to the management of an office as an office. Such expenditure is much of the same kind in all departments.

Supplies and Services comprise charges which are incurred, for the technical working of a department, i.e., charges which are not merely incidental, but represent the main and proper activities of a department. Such charges are for the most part peculiar to the department in which they are incurred, e.g., the charges for chemicals for ferro prints and medicines and hospital necessaries in the Public Works Department are treated as Supplies and Services.

517. (1) The cost of medicines obtained for disinfecting boats plying on canals will be charged to the canals concerned under "Maintenance and Repairs".

(2) Charges on account of medical stores supplied to Public Works Department hospitals not connected with any particular work or system of works should be debited to "Establishment—Contingencies"—"Supplies and Services."

(3) In all other cases, the charges will be debited to some particular work on system of works.

518. *Deleted* (G.O. No. 74, P.W., dated 11th January 1939).

C.—SPECIAL RULES.

519. The following rules are applicable :—

(*a*) The procedure prescribed in the M.F. and A.C. for drawing bills direct on the treasury, for keeping the accounts, of cash obtained on the bills and for making disbursements applies *in toto*.

(*b*) Contingent bills may be drawn only by the Divisional Officer or such other officer as may have been specially authorized by the local Government, the procedure for the encashment of the bills being the same as prescribed for establishment bills in paragrapah 507.

(*c*) Payments made out of the cash thus drawn are subject to the rules of this Code, both in regard to the manner of authorizing and making payments and to the forms of vouchers to be obtained in support thereof.

(*d*) Debits from other departments or provinces for supplies chargeable to contingencies, intimations of which may be received from the Accountant-General, should be dealt with in the manner indicated in Article 181 of the M.F. and A.C., Volume I, without being formally responded to in the accounts of the division. Other debits, of which intimations may be received direct through Advices of Transfer Debit, and Stock and adjustment transactions arising, within the division, should be cleared, by an entry in the regular accounts, by debit to "the Accountant-General's office on account of the Contingencies of the Division," the transaction being incorporated in due course in the Contingent bill as laid down in the rule already quoted.

1. In accepting invoices of store and work bills, etc., received from other divisions and departments, charges pertaining to contingencies should be clearly specified and, if necessary, distinguished from other charges, so that, in cases where the necessary adjustment can be effected in the Audit office, this may be done without further reference to the Divisional office.

520. The cash obtained for contingent charges should not be mixed up with balances of cash obtained for other purposes, and care should be taken that cash charges relating to other heads are not brought to account, even temporarily, as contingent charges or *vice versa.*

CHAPTER XIX—DIRECTIONS AND OTHER SPECIAL OFFICES.

A.—INTRODUCTORY.

521. The rules in this chapter apply only to the offices of Chief and Superintending Engineers, Superintendents of Works, and other special officers not being Divisional Officers or their subordinate officers. These offices are described as special offices in this chapter.

522. The head of a special office is not concerned with the actual execution of works, with the disbursement of money, or with the provision or custody of any materials, otherwise than possibly as an officer of control. If, however, he is required at any time to assume an executive charge, the monetary and store transactions of such charge should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to Divisional Officers.

B.—RECEIPTS.

523. Nor do heads of special offices realize any departmental receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in article 27 of the M.F. & A.C., Volume I and Article 23 of the Madras Treasury Code. [See also Article 17 of the M.F. & A.C., Volume I.]

C.—PAYMENTS.

I.—Introductory.

524. Thus, the monetary transactions of heads of special offices are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two district groups :

I. Pay and allowances.
II. Contingent charges.

525. Cash required to meet these payments is obtained by bills drawn on treasuries under the rules in the following paragraphs.

1. It is also permissible to obtain cash for contingent charges from Divisional Officers instead of fromTreasury Officers. Where this method is preferred, the detailed procedure will be p rescribe by the Accountant-General.

II.—Pay and Allowances.

526. The rules in the M.F. & A.C., and Chapter XVII of this Code for divisional offices apply *mutatis mutandis* to special offices.

III.—Contingencies and Supplies and Services.

527. The general rules relating to Contingencies and Supplies and Services are given in Chapter VI in Volume I and Appendix 12 in Volume II of the M.F. & A.C.

528. Charges, for new supplies of, and repairs to, articles of the classes which, in the case of executive officers are classified under the head "Tools and Plant", are treated as contingent charges, etc., in the case of special offices.

Examples.—Scientific instruments and drawing materials, office furniture, camp equipage, motor cars, etc.

529. The account procedure prescribed in Chapter VII for Tools and Plant of divisional offices need not be observed in special offices in respect of the articles referred to in paragraph 528, though these will otherwise be treated as Tools and Plant for the purposes of the Public Works Department Code. Suitable registers showing the receipt, disposal and balances of the articles should, however, be maintained.

1. If any articles of this class are transferred to a divisional office, the fact of the transfer should forthwith be reported to the Audit office, even though no adjustment of cost is required to be made under rule.

CHAPTER XX.—ACCOUNTS RETURNS OF SUBDIVISIONAL OFFICERS.

530. A Subdivisional Officer maintains the initial account records of cash and stores as described in Chapters VI and VII as well as a Works Abstract, with certain accompaniment, for each work in progress. All these records are, as a rule, written up as the transactions take place. Subdivisional Officer is not, however, required to consolidate the transactions into a compiled account, this work being done in the divisional office for the entire division.

531. The initial accounts of cash and stores for a month should be closed on the dates fixed by the Accountant-General. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following month. In the month of March, however, the initial accounts of the subdivision should be kept open until the 31st.

1. The object of this rule is that the accounts returns of subdivisions should reach the divisional office in sufficient time for the compilation of the monthly account of the division and its submission to the Audit office by the prescribed date.

2. In cases where sectional officers are authorized to maintain separate initial accounts of stock in their charge, which have to be incorporated in those of the Subdivisional Officer, the former may be permitted, except in March, to close their monthly accounts three days before the date of closing fixed for the subdivision. The limit of three days may be relaxed by the Accountant-General in exceptional cases.

532. Immediately after the Cash Book of a month has been closed under paragraph 531, the Cash Balance Report, Form 5 (P.W.D. VI-1), prepared under paragraph 166, should be transmitted to the divisional office.

533. Copies of the Cash Book (supported by vouchers) should be sent to the divisional office twice a month or oftener as may be directed by the Divisional Officer. The copy for the last period of each month should accompany the Cash Balance Report.

1. As the accounts of the division in respect of the cash transactions of subdivisions are based on the copies of subdivisional cash books prepared under this rule, Subdivisional Officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution, the total of the "cash" columns on both sides should be expressed in words in their own hand.

2. Subdivisions at the headquarters of a divisional office are permitted to maintain two alternative cash books—one being submitted in original to the divisional office at the end of the month and the other being used in the month following.

534. " Within three days of the date on which the accounts of a month are closed, the returns enumerated in items (*a*) to (*e*) below should be forwarded to the Division office with a covering letter in P.W.D. Form 93 (P.W.D. VI—121). The return in item (*f*) should be submitted to the Division office between the 10th and 15th of the following month."

(*a*) Abstracts of Stock Receipts and Issues, Forms 9 and 10 (P.W.D. VI-5 and 6). Supported by receipted invoices or other vouchers, and extracts from Register of Stock Receipts and Issues. (Copies.)

(*b*) Accounts of Receipts and Issues of Tools and Plant, Forms 13 and 14 [P.W.D. VI-7 and 7 (*a*)], supported by necessary vouchers and acknowledgments (in original).

(*c*) A Works Abstract [accompanied by the materials-at-site account Form (P.W.D. VI-83 or VI-83-A), where necessary, and by Form 53 (P.W.D. VI-10), Transfer Entry Order, in the cases referred to in paragraph 253] for each work in progress (vide paragraph 69) in connexion with which there was any transaction during the month with a detailed list in P.W.A. Form 94 (P.W.D. VI-22).

(*d*) A "Petty Works Requisition and Account," Form 32 (C.F. No. 145) for each petty work in progress in connexion with which there was any transaction during the month. (In original with a detailed list in P.W.D. VI-22).

(*e*) Transfer Entry Orders, Form 53 (P.W. D. VI-10), relating to the accounts of the month, excluding those proposed from time to time-vide paragraph 250.

(*f*) A certificate regarding the scrutiny of the materials-at-site account of minor works and repairs—vide paragraphs 322 (ii) of this Code.

535. Other accounts returns which Subdivisional Officers should submit to the divisional office are the following :—

(*a*) *Monthly* :—

(i) "Statement of Receipts, Issues and Balances of Road Metal," Form 16 (P.W.D. VI-12 and 13)—vide paragraphs 241 and 242.

(ii) Such statements or reports (vide paragraph 281) in connexion with recoveries of rents of buildings and lands, as the Divisional Officer may require the Subdivisional Officer to prepare.

(iii) Estimate of probable requirements of cash if prescribed by the Divisional Officer under Rule 1 to paragraph 138.

(*b*) *Half-yearly*.—Balance Return of Stock, Form 11 (P.W.D. VI-8), on dates fixed by the Divisional Officer—vide paragraph 577.

(*c*) *Yearly*.—Register of Tools and Plant, Form 15 (P.W.D. VI-9), on or before the 15th October.

(*d*) *Occasional*.—Reports of vertification of stores including materials-at-site of works), immediately after each verification.

CHAPTER XXI.—ACCOUNTS OF DIVISIONAL OFFICERS.

A.—INTRODUCTORY.

536. The cash and stock accounts of the divisional office for a month are closed on the last working day of the calendar month.

537. The Transfer Entry Book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e.g., those relating to the levy of the prescribed percentages for establishment, tools and plant, storage charges, etc., should be made.

1. The transfer entry relating to the levy of percentages for establishment, tools and plant. and accounts and audit charges, is effected on a single order of the Divisional Officer recorded in Form 62 (P.W.D. VI-98), the special form prescribed for the purpose—vide paragraph 555.

538. The cash and stock accounts of the entire division, as also all tranfer transactions, should be scrutinized by the Divisional Accountant before they are incorporated in the Monthly Account and connected registers and schedules.

1. The Divisional Accountant's responsibility as a Primary Auditor extends also to the examination of all claims included inbills presented direct at treasuries by the Divisional Officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

2. In all matters connected with the personal claims of Government servants, the Divisional Accountant is expected to give expert advice and help. He should see in particular that service books and leave accounts of subordinates are maintained in accordance with rule, that the annual establishment return (article 130, M.F. & A.C., Volume I) is accurately prepared, and that the admissibility of leave applied for by subordinates is verified before their leave applications are disposed of by the Divisional Officer or forwarded to higher authority. In all cases of doubt, however, he should advise the Divisional Officer to consult the Accountant-General.

B.—SCRUTINY OF ACCOUNTS.

539. The Divisional Accountant should examine the accounts returns of Sub-divisional Officers on receipt to see—

(i) that they have been received in a complete state.

(ii) that all sums receivable are duly realized, and on realization credited to the proper head of account as well as to the personal account, if any, of the contractor, employee or other individual,

(iii) that the charges are covered by sanctions and appropriations and are supported by complete vouchers setting forth the claims and the acknowledgments of the payees legally entitled to receive the sums paid,

(iv) that all vouchers and accounts are arithmetically correct,

(v) that they are in all respects properly prepared in accordance with rule, and

(vi) that all charges are correctly classified, those which are debitable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as to quantities of work done, supplies made, etc., or services rendered) certified by responsible officers, the claims admitted for payment are valid and in order.

1. It is not necessary that the Divisional Accountant should check personally the arithmetical accuracy of all vouchers and accounts, but he is responsible that a cent per cent check is exercised efficiently under his supervision.

540. The Divisional Accountant should exercise a similar check, from day to day, in regard to (i) the transactions recorded direct in the cash and stock accounts of the divisional office, and (ii) bills and vouchers of subdivisions, which are submitted to the Divisional Officer for approval before payment is made by the Subdivisional Officer. **In respect of charges, this examination should be conducted before the payment is made.**

The arithmetical accuracy of the entries in the measurement books relating to bills sent for pre-audit should be checked *cent per cent* in the division office under the supervision of the Divisional Accountant, though not personally by himself.

541. Every payment should be so recorded, and a receipt for the same so obtained, e.g., see paragraphs 309 and 312 that a second claim against Government on the same account is impossible and if it represents a refund of a sum previously received by Government, it should also be seen that the amount paid is correctly refundable to the payee.

542. If the Divisional Officer has set a limitation on the drawings of any Subdivisional Officer on a treasury for any month, he should intimate the same to the Treasury Officer, and specify the date of commencement and termination of the account month of the Subdivisional Officer. The Divisional Accountant while examining the Cash Book of the Subdivisional Officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit—see paragraph 143.

543. The Divisional Accountant is responsible that every order or sanction affecting expenditure to be accounted for in the Monthly Account, is noted at once in a suitable register (or other account), preferably one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the Register of Works. Sanctions to fixed charges of a recurring character, e.g., those relating to the entertainment of work-charged establishments should be entered in the Register of Sanctions to Fixed Charges, Form 58 [P.W.D. VI-90 (*a*)]. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions, Form 59 [P.W.D. VI-90 (*b*)], Register of Miscellaneous Sanctions, will be found suitable.

1. Forms 58 and 59 [P.W.D. VI-90 (*a*) and (*b*)], may also be used in respect of sanctions to contingent expenditure when this is not brought to account in the monthly account, but separate pages of these registers should be set aside for this purpose.

2. Sanctions to estimates for works should be entered in the Register of Works, even though a collective register of all sanctioned estimates be maintained by the Divisional Officer for his own information.

544. If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the Divisional Officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the orders of the Superintending Engineer or higher authority should be taken. In such cases, it may be advisable to have a separate working estimate, or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

545. It is one of the functions of the Divisional Accountant to see that expenditure, which is within the competance of the Divisional Officer to sanction or regularise, is not incurred, as a matter of course, under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the Divisional Officer and his orders obtained and placed on record. See also paragraph 91.

546. When a recovery has been ordered to be made from a contractor other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in a Register of Recoveries in Form 95 (P.W.D. VI-123) opened specially for the purpose, so that the amounts recovered from time to time (with particulars of the accounts concerned) may be recorded against it, and prompt compliance with the order watched.

547. It is permissible to take in reduction of the expenditure on works in progress, certain recoveries of expenditure (vide paragraph 256), e.g., sale-proceeds of surplus materials and plant acquired specially for any work, or of materials received from dismantled structures, irrespective of whether the estimates for the works make allowance for such recoveries or not. The amounts of such receipts are, however, not available for expenditure in excess of that authorized in the estimate for the work, and the Divisional Accountant should see that, without the orders of competent authority the gross expenditure authorized is not exceeded, or surplus receipts realized are not utilized towards additional expenditure. He should, at the same time, watch the receipts, with a view to bring to the Divisional Officer's notice and obtain that Officer's orders on all marked deviations from the provision for such credits in the estimates of works.

1. In the case of works, the accounts of which are kept by sub-heads, all such receipts should be credited to a special sub-head in these accounts, vide paragraph 352. In the case of other works, the progress of the realization of receipts should be watched through the Register of Special Recoveries (vide paragraph 546), which should be posted from sanctioned estimates in respect of credits anticipated therein, and from the accounts in respect of receipts realized from time to time.

2. The Divisional Accountant should see also that savings due to abandonment of parts of a work, as evidenced by the quantities of the work executed or otherwise, are not utilized towards unauthorized expenditure.

548. After check every voucher should be enfaced with the word " checked " over the dated initials of the Divisional Accountant, as well as of any clerk who may have applied a preliminary check. Vouchers not submitted to audit (vide paragraph 569) should be " cancelled " by means of a perforating or endorsing stamp and kept carefully, to be made available for test-audit whenever demanded by the Accountant-General.

1. Vouchers relating to contingencies, which do not amount to more than rupees twenty-five each should be dealt with in the manner indicated the certificate of the disbursing officer printed on M.F. & A.C. Form 18.

2. Stamps affixed to vouchers should be so cancelled that they cannot be used again and if with this object they are punched through, care should be taken that the acknowledgment of the payee is not destroyed thereby.

3. Vouchers relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to Form (P.W.D. VI-7), Account of Receipts of Tools and Plant.

549. The results of the examination of accounts and vouchers received from Subdivisional Officers should be intimated to them in all cases in which it is necessary to obtain further information accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity. The procedure to be observed may be prescribed by the Divisional Officer. The records connected with the results of the examination should be retained so as to be available for the Accountant-General's inspection.

C.—SETTLEMENT OF ACCOUNTS WITH TREASURIES.

550. As soon after the expiry of the month as possible, a monthly settlement should be effected with all treasuries in respect of the transactions of the entire division with them.

551. For payments into treasuries, consolidated receipts should be prepared in Form 50 (P.W.D. VI-16), for the whole of the remittances made to each treasury, and sent to the Treasury Officers for signature.

552. For cheques drawn, the pass-books, duly completed for the month, should be obtained from the Treasury Officers with the certificates of issues from treasuries which are prepared in the form reproduced below), and their agreement with the

cash books of the division should be effected in Part II, Form 51 [P.W.D. VI-16 (*a*)], Schedule of Monthly Settlement with Treasuries, which also gives details of the differences :—

I hereby certify that the total issues made from this treasury on cheques drawn against the account of Mr. Officer-in-charge. Division, during 19 , amounted to Rs. (in words).

The certificate of agreement should be recorded in the pass-book over the signature of the Divisional Officer without recording any details of the uncashed cheques or other differences.

1. The pass-book or list of cheques cashed is written up in Madras Treasury Code, Form 8. It should remain in the Division Office as an account record of the office and should be sent to the Treasury periodically on fixed dates to be written up. Pass-books of divisions which have all their subdivision in the Headquarters of the Division should be sent to the Treasury once at the end of each month, but Divisions which have their subdivision offices located at places different from the Division Headquarters should send the pass-book to the Treasury twice a month, viz., on the 10th and at the end of each month. The identity and the amount of the cheques entered as cashed should be examined at the earliest opportunity, the pass-book being initialled (and dated) by the Divisional Accountant in token of the check.

2. Form 51 [P.W.D. VI-16 (*a*)] is required for submission to audit in original, vide paragraph 567. The office copy of the details recorded in it should be signed by the Divisional Officer, and carefully recorded for a period of twenty years.

3. If the Divisional Officer is placed in account within any treasuries which are in account with an Accountant-General other than his own Audit Officer, or with a Military treasure chest, a separate schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16 (*a*)] should be prepared in respect of the treasuries of each Audit circle.

553. A subdivisional cash books are closed on various dates before the last date of the calendar month, and the accounts of sub-treasuries are also not closed on that date, transactions recorded in the cash books of the Public Works Department for a month may sometimes be responded to by the treasury in an eariler or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause nor represent amounts of uncashed cheques should be settled expeditiously in consultation with the Treasury Officer concerned.

D.—COMPILATION OF ACCOUNTS.

I.—Monthly Accounts.

(*a*) SCHEDULE DOCKETS.

554. As cash vouchers and transfer entry orders, relating to (i) charges on works other than percentages charged for establishment, tools and plant, etc., and (ii) other items of expenditure or disbursement for which a contingent bill is not required, come to hand and are scrutinized, they should be posted into Schedule Dockets in Form 61 (P.W.D. VI-97), a separate form being used for—

(*a*) each work to be accounted for in Schedule of Works expenditure, Form 63 (P.W.D. VI-26), or in the Schedules of Deposit Works, Form 65 (P.W.D. VI-101 to 103);

(*b*) each manufacture or other item of expenditure debitable to Stock and to be accounted for in the Schedule of Debits to Stock, Form 72 (P.W.D. VI-28) (vide paragraph 560);

(*c*) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (vide paragraph 256) should be posted as refunds, with brief particulars of the transactions. At the end of the month, the schedule dockets should be completed in respect of Stock transactions by posting therein all the stock debits and credits of the month as recorded in the lower part of Forms 10 and 9 (P.W.D. VI-6 and 5), Abstracts of Stock Issues and Stock Receipts, respectively, omitting those brought to account through the Cash Book and the Transfer Entry Book—vide rule 2 to paragraph 191.

The total of the month's stock transactions relating to each schedule dockets should be entered therein as in a single figure, *plus* or *minus* according as it is a debit or a credit, and if there are both debits and credits to be entered, the net result only should be posted. Thus in the case of schedule dockets for works, this figure represents the total issue of materials from stock to the work, and the materials transferred from work to stock will appear as refunds under the heading "Transfer Entries". The schedule dockets should then be totalled and reconciled with the works abstracts in the case of works, and with the schedules concerned in the case of dockets of class (*c*) above. All the vouchers (including acknowledgments for stock supplied to contractors), transfer entry orders, survey reports, and sale accounts which are required to be submitted to audit (vide paragraph 569) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

1. Accountant-General may, however, at their discretion permit Divisional Officers to post the schedule dockets at the end of the month from the works abstract as soon as the latter are completed and checked. Accountant-General may also at their discretion dispense with the preparation and submission of a schedule docket for a work when the outlay on that work consists entirely of payments on muster rolls or other vouchers not required to be submitted to audit. In that case, the Divisional Accountant must record a certificate in the last column of the schedule of works expenditure against the relevant item that the vouchers composing the item are such as are not required to be submitted to the audit office under the rules.

2. The audit of schedule dockets is conducted in the Accountant-General's office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of un vouched and stock charges have been duly audited by the Divisional Accountant in detail and are available for test-audit. The Divisional Accountant is, therefore, personally responsible for the accuracy of these amounts as stated in schedule dockets.

3. Some of the schedule referred to in clause (*c*) above include charges for works supported by a Schedule of Works Expenditure. Such charges and other transactions relating to the works expenditure should be posted in the schedule dockets for the works concerned.

555. For percentage recoveries made on account of establishment, tools and plant, accounts and audit and pensionary charges (vide appendix 7) a single schedule docket should be prepared in Form 62 (P.W.D. 98), embracing all Government, as well as non-Government, works on which these percentages may be leviable under rule.

1. This form may be signed by the Divisional Accountant when the Divisional Officer is away on tour.

(*b*) REGISTERS AND SCHEDULES.

(*a*) Expenditure on works.
(*b*) Expenditure on stock.
(*c*) Transations referred to in paragraph 564.

556. (*a*) All cash and transfer entry transactions of the month, other than those noted in the margin, should be posted, from time to time, into one of the schedules or registers named below, to which the transaction relates :—

(i) Registers of Revenues realized ;
(ii) Registers of Refunds of Revenue ;
(iii) Registers of Receipts and Recoveries on Capital Account ;

} all in Form 46 (P.W.D. VI-25) (paragraphs 276 to 278), a separate register being maintained for each major head and in the case of works for which a separate revenue account is kept, one for each separate system or project.

(iv) Registers of Rents of Buildings and Lands, Form 49 [P.W.D. VI-49 (*a*)] (paragraph 280), a separate register being maintained for each major head, etc., as in respect of Nos. (i) to (iii).

(v) Schedule of Debits to Remittances, and } both in Form 77 (P.W.D.
(vi) Schedule of Credits to Remittances; } VI-100).
(vii) Schedule of Debits to Miscellaneous Heads of Account and } both in Form 76 (P.W.D.
(viii) Schedule of Credits to Miscellaneous Heads of Account; } VI-99).

(ix) Suspense Register, Form 67 (P.W.D. VI-20), in respect of transactions falling under the heads "Purchases" and "Miscellaneous P.W. Advances" (vide paragraphs 413 and 427);

(x) Deposit Register, Form 67 (P.W.D. VI-20) (vide paragraph 465);

(xi) Schedule of London Stores, Form 71 (P.W.D. VI-30) (vide paragraph 435);

(xii) Schedule of Deposit Works, Form 65 (P.W.D. VI-101 to 103) (vide paragraph 475).

(*b*) Of these Schedules, Nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraph quoted against each.

1. Rent and other revenue receipts pertaining to (*a*) Military Works, (*b*) Railway Works, (*c*) Posts and Telegraphs Works and (*d*) Archæological Works of the Central Government referred to in paragraph 558, should be posted in separate registers, Forms 49 and 46 [P.W.D. VI-49 (*a*) and 25], for each (as required) and additional registers should be maintained for receipts from other works of the Central Government.

2. When under a major head of revenue, there are more than one system of works for which separate revenue accounts are kept, a summary of the receipts of all systems working up to the totals of the major head, should also be prepared.

(*c*) Schedules Nos. (v) and (vii) are the schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in the sample entries of Form 77 (P.W.D. VI-100).

(*d*) Schedules Nos. (vii) and (viii) are intended to collect all disbursements and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works or stock expenditure schedules referred to in paragraphs 558 to 560. These transactions are adjusted finally in the books of the Accountant-General, and ordinarily affect one of the non-Public Works major heads of revenue or expenditure (*e.g.*, "II. Taxes on Income", "XXII. Jails and Convict Settlements", "26. Audit" and "57. Miscellaneous") or a Debt head of Account (*e.g.*, "O.—Unfunded Debt—Savings Bank Deposits—Bank Accounts—Cemetery Endowment Fund").

1. "Income-tax deductions from work-charged establishments, percentage chargeable on European stores, and receipt on account of cemetery endowment invariably appear in the schedule of credits to miscellaneous heads of accounts. Percentage recoveries for audit and accounts in the case of works executed on behalf of (1) private parties and (2) local bodies—vide item (*d*) of rule 5 of Appendix (7) and (3) Railways, Military Engineering Services and Posts and Telegraphs—vide item (*d*), rule 5, *ibid*, appear or credits or minus debits in the schedules of credits or debits to Miscellaneous Heads of Account respectively according as the amounts are creditable to 'XLVI. Miscellaneous—Fees for Government Audit' or '26. Audit'. The recoveries from private parties and local bodies will be adjusted as Revenue receipts under the minor head 'Fees for Government Audit subordinate to the Major head 'XLVI. Miscellaneous—Central'. Recoveries in the case of works relating to Railways, Military Engineer Sarvices and works executed on behalf of the Posts and Telegraphs Department should however be adjusted as reduction of expenditure under '26. Audit—Central'. As regards other transactions they should not be classified under the final or debt head concerned and shown in the Schedules of Credits or Debits to Miscellaneous Heads of Account, unless the Accountant-General has authorized this; ordinarily they should be classified by Divisional Officers under the remittance head "Public Works Remittances—III. Other Remittances" and included in the Debit or Credit Form 77 (P.W.D. VI 100), as the case may be. See also paragraphs 12 and 13 of Appendix 5.

557. At the end of the month, the stock transactions of the month, as recorded in the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (P.W.D. VI-5 and 6), excluding transactions brought to account (vide rule 2 to paragraph 191) through the Cash Book and the Transfer Entry Book, should be incorporated in the schedules referred to in paragraph 556, and the schedules should be completed in all other respects, e.g., (1) in the debit schedules 77 and 76 (P.W.D. VI-100 and

99) and in the Deposit Register should be posted, from the detailed schedules concerned (vide paragraphs 558 and 559), the total amount of works expenditure, chargeable to each head of account, division or office (see also paragraph 465) and (2) the total amount of the cheques drawn during the month should be entered in the Credit Schedule, Form 77 (P.W.D. VI-100), as a single entry for treasuries of each Audit circle, under the head " Public Works Remittances—II. Public Works Cheques," or the exchange account head concerned, as the case may be (see also rule 3 to paragraph 552).

1. Expenditure on famine relief works should be entered in Debit Schedule 76 (P.W.D. VI-99).

2. In the schedule of Debits to Remittances the expenditure on the works referred to in clauses (*a*) (ii) to (*a*) (v) of paragraph 558 should be shown separately from that on other works.

558. (*a*) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a Schedule of Works Expenditure should be prepared in Form 63 (P.W.D. VI-26) separately for expenditure relating to each of the following classes :—

(i) Each major head (or a division thereof shown separately in column 1 of the classification table of Appendix 4) under which expenditure is recorded, a separate schedule being prepared for " Central ", " Provincial—Reserved " and Provincial—Transferred " in the case of " 50. Civil Works ".

1. This form is not used for Manufacture transactions—vide paragraph 560.

(ii) Military Works .. ..
(iii) Railway Works .. ..
(iv) Post and Telegraphs Works .. .. ..
(v) Archæological Works of the Central Government connected with the conservation of ancient monuments as defined in section 2 (1) of the Ancient Monuments Preservation Act, 1904, and declared to be protected under section 3 (1) of that Act.

} entered to the division as a standing arrangement.

(vi) All other Government works including occasional works of classes (ii) to (v).

(vii) All non-Government works other than Deposit Works, for which separate schedules are prepared in Form 65 (P.W.D. VI-101 to 103)—vide paragraph 475.

(*b*) Only these works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of the prescribed heads of the accounts classification in the case of works of classes (i) to (v), and grouped separately for each Government department, division, local body or other party concerned, in the case of works of classes (vi) and (vii). All works forming part of a single project or system should, in all cases, be grouped together.

1. In the schedules for works of classes (i) to (v), money column 5 for " Total charges of the month " should be totalled so as to bring out separately the totals for (1) each minor head, (2) each primary unit of appropriation (if any) subordinate to a minor head, and (3) each group of wroks for which a separate lump-sum appropriation has been placed at the disposal of the Divisional Officer or a controlling authority. Against each total of the last category should be given (*a*) in column 6, the total charges of the year which will be arrived at by adding the total of the month to the total of the year as given in column 6 of the previous month's schedule, and (*b*) in column 7, the lump-sum appropriation if placed at the Divisional Officer's disposal.

2. In the schedules pertaining to works of classes (vi) and (vii), the entries relating to each work should be made separately for " work expenditure " and " percentage charges " (for establishment, tools and plant, accounts and audit and pensionary charges, etc.), one line being used for each of these two charges and a third for the total charges on the work. In the case of Archæological and Central Civil Works and works executed for the Military Engineer Services, and Posts and Telegraphs Department, percentage charges for establishment including pensionary charges and Tools and Plant are levied at a fixed rate of 19 per cent on the works outlay as a permanent arrangement. In addition, one per cent for accounts and audit is levied in the case of works executed for the Military Engineer Services, and Posts and Telegraphs Department. The centage charges on these works need not, however, be deducted monthly but should be levied on the total outlay incurred during the year in respect of each class and adjusted by the Divisional Officer in the accounts for March each year.

3. Save as provided for in rule 1, it is optional with the Divisional Officer to make entries in columns 6, 7 and 9 in respect of individual works. These columns need not be filled in the fair copy of the schedule required for submission to the Accountant-General (paragraph 567) except figures entered in column 6 of the office copy under the provisions of rule 1.

559. Similarly, the Schedule of Deposit Works should be completed in respect of expenditure transactions, which should be taken from the relevant schedule dockets.

560. All debits to Stock should be collected in Form 72 (P.W.D. VI-28), Schedule of Debits to Stock. The entries in this schedule should be arranged in four groups— (1) "Manufacture", (2) "Land, Kilns, etc.", (3) "Storage" and (4) "Other sub-heads". Under (1) should be detailed all manufcture operations in progress, and under (2), all works in progress in connexion with the acquisition, construction and repairs of land, kilns, etc. under (3) should be shown the expenditure which is incurred after the acquisition of the stores on work-charged establishments employed on handling and keeping initial accounts, the custody of stock and the maintenance of store godowns or yards, etc., under (4) should be shown (*a*) individually, all items of expenditure on the carriage, handling, etc., of stock meterials when the cost of such processes is chargeable to the sub-head of Stock under which the materials are classified (vide paragraphs 203 and 389), (*b*) individually, all items of acquisition of stock materials, for which an estimate is required under rule, and (*c*) collectively, all other items of acquisition of stock materials.

1. If the Divisional Officer is specially authorized by Government to sanction the carriage, handling, etc., charges up to a specified money limit, it will devolve upon the Divisional Accountant to conduct the audit of individual terms of expenditure against the Divisional Officer's sanctions but all items of this class should be detailed in the schedule.

2. In respect of each manufacture operation, the outturn of the month (vide paragraph 396) should also be shown in the schedule, the operation and outturn being entered in two separate lines.

561. An account of the suspense head "Stock" should next be prepared in From 73 (P.W.D. VI-108), Stock Account. Part I of this form is the main account showing the receipts, issues and balances, classified by sub-heads, separate figures being given in respect of the sub-heads "Manufacture", "Land, Kilns, etc., and Storage" and all the other sub-heads (vide paragraph 417) being lumped up. Part II, the Detailed Account of Issues, is written up first, and from this part and the Schedule of Debits to Stock, Form 72 (P.W.D. VI-28), is prepared, Part I.

(*c*) Classified Abstract of Expenditure.

562. A consolidated account of all expenditure (vide paragraph 82) charged against the grants of the division should be perpared in Form 74 (P.W.D. VI-109), Classified Abstract of Expenditure. The figures relating to the several major heads (or divisions thereof shown separately in column 1 of the Classification table of Appendix 4) should be entered in separate sections, arranged in the order indicated in Appendix 4, and in the case of the major head "50. Civil Works", the "Central", "Provincial—Reserved", and "Provincial—Transferred" transactions should be shown in three different sections in the order shown here.

Military works.
Railways.
Post and Telegraphs.
Archaeological Department.

1. When works for any of the departments named in the margin are undertaken as a standing arrangement [vide paragraph 558 (*a*)] and funds for the purpose are allotted to the division, the expenditure transactions connected therewith should also be abstracted in Form 74 (P.W.D. VI-109), the classification of expenditure being that prescribed in respect of the works concerned—vide rule 2 to paragraph 77.

2. Refunds of Revenue, though covered by the term Expenditure (vide paragraph 82) are excluded from this Abstract, as they are treated as *minus* Revenue (vide paragraph 274 and Appendix 4). On the other hand, 'Receipts and Recoveries on Capital account' are included in this abstract as *minus* expenditure, as they are taken in reduction of the charges under the major head '68.' (vide Statement E of Appendix 4).

(*d*) PREPARATION OF MONTHLY ACCOUNT.

563. Finally, should be prepared, for presentation (with all supporting registers, schedules, vouchers, etc.) to the Divisional Officer and submission to audit, the Monthly Account in Form 80 (P.W.D. VI-112). This account is an abstract of the entire receipts and disbursements of the month as detailed in the various schedules and registers, and shows also the opening and closing cash balances, and on the back of the form are printed (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the Account are divided into three groups :—Revenue entries, which are the total receipts under the several major heads, as taken from the Registers of Revenue Realized, Form 46 (P.W.D. VI-25), (2) Expenditure entries, which are the totals for the several divisions of major heads and are posted from the Classified Abstract of Expenditure, Form 74 (P.W.D. VI-109), and (3) other Heads, entries in which representing both receipts and disbursements, are posted from the Schedules of Deposits, Remittances and Miscellaneous Heads of Account, Forms 78 or 79, 77 and 76 [P.W.D. VI-31 or 31 (*b*), 100 and 99].

1. The totals of the columns for receipts and disbursements must agree, and if there is any differ n e due to cash being in transit between two disbursing officers its amount, etc., should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

564. (*a*) There are certain transactions recorded in the initial cash and stock accounts, which involve no operation on a revenue, expenditure, or any other prescribed head of the accounts classification, as every such entry is counter-balanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transactions, for audit purposes, in any of the schedules and registers leading to the Monthly Account, but the Divisional Accountant should see that all transactions are cancelled by each other in due course.

(*b*) These transactions fall under two classes :—

(i) *Cash from Treasury.*—A cheque drawn to replenish the cash chest is charged to this head in the Cash Book and *per contra* the amount of the cheque is entered at once, as cash received, under the same head, a cheque drawn in favour of self being cash (vide paragraph 128) even though not cashed at once.

(ii) *Transfers within division.*—Remittances of cash and stock by one accounting officer of the division to another, are charged or credited to this head when the remittance is actually made or received.

565. When the Monthly Account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up Form 81 (P.W.D. VI-113), Abstract Book, from the original Cash Books, Abstracts of Receipts and Issues of Stock, and the Transfer Entry Book, and thus to locate the error or omission.

1. Instructions for posting this book and utilizing it in locating errors in the compilation of the Monthly Account and connected schedules and registers are printed on the Standard form, which is to be taken as a model only. If the Divisional Accountant considers it desirable, he may maintain this book regularly to facilitate the check of the compiled accounts.

566. It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book excluding items referred to in paragraph 564, enter one or other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no items being omitted ; but those recorded in the initial accounts of stock, Forms 8, 9 and 10 (P.W.D. VI-4, 5 and 6), are dealt with as under :—

(*a*) those brought to account through the Cash Book or the Transfer Entry Book (vide paragraph 191), e.g., stock purchased in cash, stock sold for cash, and stock received from works, are left out, and

(*b*) the rest are posted direct from the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (P.W.D. VI-5 and 6).

To ensure the accurate compilation of accounts, it is essential that the transactions referred to in (*a*) above are not brought to account twice, and the Divisional Accountant should see that all items of this class are correctly separated off in the lower part of the Abstracts of Stock Receipts and Stock Issues, Forms 9 and 10 (P.W.D. VI-5 and 6) as prescribed in rule 2 to paragraph 191.

(*e*) SUBMISSION TO AUDIT.

567. The Monthly Account is due to reach the Accountant-General's office by such date as may be fixed by the Accountant-General in consultation with the Divisional Officer. It should be supported by the following documents :—

<table>
<tr><td>(1) Extracts from Registers of Revenue Realized, Form 46 (P.W.D. VI-25) and
(2) Extracts from Registers of Refunds of Revenue, Form 46 (P.W.D. VI-25).</td><td>in the same form as the registers.</td></tr>
</table>

(3) Classified Abstracts of Expenditure, Form 74 (P.W.D. VI-109).

(4) Schedules of Works Expenditure, Form 64 (P.W.D. VI-26).

(5) Schedule of Docket of Percentage Recoveries, Form 62 (P.W.D. VI-98).

(6) Stock Account, Form 73 (P.W.D. VI-108), [with Sale Accounts, Form 19 (P.W.D. VI-34) in support of the Cash Credits to Stock].

(7) Schedule of Debits to Stock, Form 72 (P.W.D. VI-28).

<table>
<tr><td>(8) Schedule of Purchases, Form 68 or 69 (P.W.D. VI-27) and
(9) Schedule of Miscellaneous Public Works Advances, Form 70 (P.W.D. VI-29).</td><td>extracted from the relevant sections of the Suspense Register, Form 67 (P.W.D. VI-20).</td></tr>
</table>

(10) Schedule of London Stores, Form 71 (P.W.D. VI-30).

(11) Schedule of Workshop Suspense.

(12) Extracts from Registers of Receipts and Recoveries on Capital Account, Form 46 (P.W.D. VI-25)—in the same form as the registers.

(13) Scheduled Dockets, Form 61 (P.W.D. VI-97) (with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each) (*See* also rule 1 under paragraph 554).

(14) Schedules of Credits and Debits to Miscellaneous Heads of Account. Form 76 (P.W.D. VI-99).

(15) Schedules of Credits and Debits to Remittances, Form 77 (P.W.D. VI-100).

(16) Schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16 (*a*)] (with supporting consolidated Treasury Receipts and Certificates of Issues, signed by Treasury Officers).

(17) Schedule of Deposits, Form 78 or 79 (P.W.D. VI-31), extracted from the Deposit Register, Form 67 (P.W.D. VI-20).

(18) Schedule of Deposit Works, Form 65 (P.W.D. VI-101 to 103) (with Reports of Progress of Expenditure).

<table>
<tr><td>(19) Extract from Account of Receipts of Tools and Plant, Form 13 (P.W.D. VI-7) and
(20) Extract from Account of Issues of Tools and Plant, Form 14 [P.W.D. VI-7 (a)] [with supporting Survey Report of Stores, Form 18 (P.W.D. VI-45, Sale Accounts, Form 19 (P.W.D. VI-34), and acknowledgments of officers concerned in the case of stores transferred to other officers not being Divisional Officers of the province].</td><td>in the same form as the Accounts.</td></tr>
</table>

(21) Schedule of Boat Rents [P.W.D. II-68 and 68 (*a*)].

(22) List of Accounts submitted to Audit, Form 83 (P.W.D. VI-21).

1. The Divisional Officer is required to make a formal report, periodically of the progress of expenditure on a deposit work, to the administrator or depositor concerned. For this purpose a report in Form P.W.D. VI-115, setting forth the amount of the estimate, the total deposits received, and the progressive expenditure, should accompany the schedule of Deposit Works, so that the Accountant-General may, after auditing the schedule, verify the report and forward it to the local body or persons concerned. Several works relating to the same depositor may be included in one report.

2. If the Divisional Officer is authorized to refund, without reference to higher authority fines which have been remitted by a court of law, the original orders of the court should accompany the Schedule of Refunds of Revenue, as the audit of the refunds made in such cases is conducted by the Accountant-General on the authority of the orders of the court.

3. In the case of projects under construction, the schedule of works expenditure should show total expenditure up to date on each of the heads subordinate to the minor heads (e.g., head works, main canals and branches, etc.) as also the total amount of the estimate for comparison.

As regards "Revenue Accounts" the expenditure under "Extensions and Improvements" and "Maintenance and Repairs" should be arranged by works under the several detailed heads given in statement C of Appendix 4.

4. The expenditure on the maintenance of each staff boat should be separately shown in the schedule so as to enable a check of the annual statement showing the working of the staff boats.

568. The schedules relating to the suspense and deposit accounts, Forms 68, 70, 71, 73 and 78 (P.W.D. VI-27, 29, 30, 108 and 31) and the Workshop Suspense Schedule, must be submitted to audit, month after month, so long as there are balances outstanding under the account concerned whether there have been transactions during the month or not: but, in respect of Purchases and Deposits, the Accountant-General may authorize the use of the alternative forms of Schedule Nos. 69 and 79 [P.W.D. VI-27 and 31 (*b*)], in the case of divisions where the number of outstanding items is very large, but the number usually affected by the monthly transactions is small. In respect of the Schedule of Deposit Works Form 65 (P.W.D. VI-101 to 103), the Accountant-General may dispense with the submission, every month, of Part II of the Schedule, provided (1) that this part is invariably submitted with the accounts for March and (2) that, if Part II for any month contains works, any expenditure whereon has been charged to Miscellaneous P.W. Advances, an extract from Part II relating to such works only is submitted to audit. Subject to these exceptions the remaining schedules are necessary only if there have been any transactions during the month.

569. (*a*) With the exceptions noted below [as to which, however, see clause (*b*) below], all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the Monthly Account :—

(i) Muster rolls or other vouchers in support of payments to labourers, irrespective of amount.

(ii) Vouchers in support of payments of wages to members of the work-charged establishment, the posts held by whom the Divisional Officer is authorized to sanction.

(iii) Other cash vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 25.

(iv) Invoices or other vouchers in acknowledgment of issues of stock materials, including issues of outturn from manufacture to stock.

(v) Vouchers in support of payments made for the conversion of cash deposits into interest-bearing securities, in case in which no voucher other than the security itself or as safe custody certificate of the security exists.

1. When a voucher of this class is not submitted to audit, the reasons should be noted against the entry of its amotun in the schedule docket, or in the schedule of works expenditure. *See* rule 1 under paragraph 554.

(vi) Transfer entry orders of the classes enumerated below :—

Those involving debits to Remittances heads otherwise than in respect of expenditure on works.

Those relating to charges which are supported by vouchers received in transfer.

Those involving a debit or credit to London Stores or a credit to a Revenue head (Gross Receipts), or to any Miscellaneous Head of Account otherwise than in respect of expenditure on works.

(*b*) All vouchers (other than Muster Rolls) in support of debits to contractors should be submitted to audit, even though falling under any of the exceptions to clause (*a*).

1. The provisions in clauses (*a*) and (*b*) of this paragraph apply also to vouchers received from other divisions or departments in support of transfer debits raised by them.

2. The term " voucher " used in clause (*a*) includes advices of Transfer Credit and Acceptances of Transfer Debit received from other divisions, departments, etc., in the case of the docket for Schedule of Debits to Remittances.

(*c*) All vouchers in support of payments for land acquired should be submitted to audit.

(*d*) All Survey Reports of Stores, Form 18 (P.W.D. VI-45) and Sale accounts Form 19 (P.W.D. VI-34) must also accompany the Monthly Account. Sale accounts in support of cash credits to Stock should be attached to the Stock Account, Form 73 (P.W.D. VI-108) ; survey reports and sale accounts in support of other credits to stock should be tacked to the schedule dockets pertaining to the works or accounts debited ; those in support of the Extract from Account of Issues of Tools and Plant, Form 14 [P.W.D. VI-7 (*a*)], should accompany that document ; and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited.

570. The documents enumerated below should also be prepared and submitted to audit with the Monthly Account :—

Extract from Contractors' Ledger, Form 43 (P.W.D. VI-91) prepared in Form 82 (P.W.D. VI-92).

Schedule of Rents of Buildings and Lands, Common Form 439 [with supporting Statements of Rents recoverable in cash or by deduction from Pay Bills, Form 48 (P.W.D. VI-49)].

571. The Divisional Accountant is required to sign not only the Monthly Account but also all the schedules, etc., accompanying it. It is not necessary that the Divisional Officer should sign all these documents ; he must, however, sign the Monthly Account, the Schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16 (*a*)] and the List of Accounts, Form 83 (P.W.D. VI-21) unless he is absent from headquarters, in which case he should send to the Accountant-General, as soon as he can examine his books and papers on return, a report in Form 84 (P.W.D. VI-22) (with a duplicate copy of the Monthly Account and the Schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16 (*a*)] signed by himself), without which the Accountant-General will not finally pass the Monthly Account. The Contingent Bill must invariably be signed by the Divisional Officer.

In cases in which Form 62 (P.W.D. VI-98) is signed by the Divisional Accountant under paragraph 555, Rule 1, the Divisional Officer should on return to headquarters send to the Accountant-General in Form 84 (P.W.D. VI-22) a duplicate copy of it signed by him.

1. It is desirable that the Divisional Officer should make arrangements for the review by himself of all vouchers before they are submitted to audit, and that unless the circumstances are exceptional, he should sign the accounts himself.

572. In connexion with the accounts for March, the following points should receive special attention :—

(*a*) The entry of the closing cash balance should be supported by (1) of the original cash balance Reports, Form 5 (P.W.D. VI-1) of all disbursing officers including the Divisional Officer, and (2) a certificate of the Divisional Officer to the effect

that he has obtained, on or after 31st March, and retained in his office, an acknowledgment from the officer or subordinate concerned, in respect of each item of imprest or temporary advance shown in the Cash Balance Reports of the Division for 31st March.

1. The original Cash Balance Reports of subordinate disbursing officers should be initialled by the Divisional Officer before transmission to audit.

(*b*) To part II of the Schedule of Monthly Settlement with Treasuries, Form 51 [P.W.D. VI-16 (*a*)], should be subjoined a statement, in the form given below, in respect of the cheques drawn to meet payments of works.

Particulars.	Number of cheques issued.	Amount.
		RS.
1 For the whole month	..	..
2 During the last five working days of the month	..	..

(*c*) The Schedule of Deposits, Form 78 or 79 (P.W.D. VI-31), should be accompanied by the Account of Interest-bearing Securities, Form 86 (P.W.D. VI-105), referred to in paragraph 468.

II.—Review of Unsettled Accounts.

Contractor's Ledger Works Abstracts and Register of Works. Rent Registers and the other record of assessment and realization of revenue referred to in paragraph 257.

573. The several registers and schedules relating to the suspense and deposit heads of account, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearance of outstanding balances, whether by actual recovery or by adjustment in the accounts may be taken regularly throughout the year. In February, or early in March, special steps should be taken with a view to bring about all possible reduction in the number and amounts of outstanding items at the close of the year; and within six weeks of the submission of the Monthly Account for March, a consolidated certificate in respect of balances, other than cash, should be forwarded to the Accountant-General in Form 91 (P.W.D. VI-96), Annual Certificates of Balances.

1. If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

574. Similarly, the prompt settlement of all remittance transactions, original or responding, should receive the personal attention of the Divisional Accountant (vide paragraph 116), who should take special steps early in March to bring to account all liabilities and assets awaiting settlement, and to effect clearance, in the accounts of March, of as many outstanding items as possible. Liabilities, as well as outstanding debits and credits, remaining unadjusted at end of March should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the divisional office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Accountant-General being sought where necessary.

In settling transactions with railways, it should be borne in mind that Railway Audit offices close their books for the year on the 10th May.

III.—Closing the Accounts of the year.

575. The financial year terminates on 31st March, and actual transactions taking place after that date can on no account be treated as pertaining to the year It is necessary, however, that as many of the unadjusted remittance transactions of the year as possible, should be cleared within the accounts of the year, and very

often errors in account come to notice after 31st March which should also be set right, if possible, without affecting the accounts and estimates of the following year. Whilst, therefore, it is necessary that the cash accounts should be positively closed on the 31st March, and also the stock accounts in respect of actual transactions, the transfer entry book and stock accounts should be kept open for transfer entries relating to rectification of errors and settlement of remittance accounts.

1. If any adjustment in accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect them after 31st March in the same way as adjustments in rectification of errors noticed after that date.

576. The transfer entry transactions referred to in paragraph 575 should be consolidated into a special Monthly Account, which, with all the necessary accompaniments, should be submitted to audit on the 1st July following, or any other date that may be prescribed by the Accountant-General. This account is known as the Supplementary Account of the year.

1. This account should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary, for instance, to repeat in any of the Suspense or Deposit Schedules, the items not affected, so long as, in addition to the necessary details of the items affected, the totals for the account concerned are also given. Similarly, in the schedule of rents of buildings and lands, Form 75 (P.W.D. II-64) only the items affected and the totals need be given, and in the extract from the contractor's ledger, Form 82 (P.W.D. VI-92) only the accounts of those contractors whose accounts are affected in any way.

IV.—Miscellaneous Returns.

577. Other account returns which the Divisional Officer should submit to the Accountant-General are the following :—

(*a*) Half-yearly register of stocks, Form 12 (P.W.D. VI-42) on the following days :—

Returns from the division in	Per half-year ending.	To reach the Accountant-General on or before.
Dowlaishwaram Circle	31st December	1st February.
	30th June	1st August.
Vijayawada Circle	31st January	1st March.
	31st July	1st September.
Coimbatore Circle	31st March	1st May.
	30th September	1st November.
Madras Circle	30th April	15th June.
	31st October	1st December.
Tanjore Circle	31st May	1st July.
	30th November	15th January.
Tiruchirappalli Circle	31st May	1st July.
	30th November	15th January.

NOTE 1.—The due dates of submission of the half-yearly stock registers of the Krishna Central Division are 1st April and 1st October.

NOTE 2.—The Executive Engineers, Krishna Western, Godavari Head Works and Visakhapatnam Divisions, may submit annual (instead of half-yearly) stock registers to the Audit office and the review thereon may be done once in a year instead of every half-year.

(*b*) Annual register of tools and plant, Form 15 (P.W.D. VI-9) for the year ending 30th September on or before 15th December.

1. The documents should be submitted in original after transferring the closing balances to the corresponding register or return for the subsequent period.

(*c*) Certificate of monthly reconciliation of the ledger and the book balances in respect of each sub-head of stock in the Public Works Stores, Madras, by the 10th of the second month succeeding the month to which the accounts relate.

V.—Corrections in Accounts.

578. (*a*) If an item in the accounts which properly belongs to a revenue or expenditure head is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed,

but, after the accounts are closed, no correction is admissible except as permitted in clause (*a*) of Article 215 of the Account Code and in cases affecting the accounts of works, including those falling under paragraph 379 of this Code.

1. Errors in suspense accounts are governed by the rule in clause (*b*).

2. If an error be detected after submission to audit of the Divisional Officer's supplementary account of the year, it should nevertheless be reported to the Accountant-General for instructions unless the amount be not more than ten rupees.

(*b*) All errors affecting debt (including suspense) and remittance heads must be corrected, however old they may be.

(*c*) When a correction is permissible, it should be made by a formal transfer entry; but when it is not permissible, it is sufficient to make a suitable note of it in the account concerned.

579. All corrections in accounts which may be advised by the Accountant-General on auditing the documents, should, after verification, be carried out in all relevant records, the entries being made in red ink (quoting the audit note or other advice) and attested by the dated initials of the Divisional Accountant.

1. The Divisional Accountant is responsible that all corrections advised by the Accountant-General are specially brought to the notice of the Divisional Officer.

VI.—Pro-forma Accounts.

580. When the details of any class of transactions, as recorded in the prescribed accounts, are not sufficiently indicative of the financial results of the operations of a given period, and it is necessary to ascertain the results, it is usual to prepare periodically suitable *pro forma* accounts in addition.

1. If the maintenance of such supplementry accounts is necessary for audit purposes and no form has been prescribed by the Auditor-General, the Accountant-General will determine the required forms in consultation with the Local Government, but if the accounts are required for administrative purposes, the Accountant-General will merely give such an advice or assistance in prescribing the forms as may be required of him.

2. If a *pro forma* account relates to transactions of two or more divisions the compilation of it will ordinarily devolve upon the Accountant-General, but Divisional Officers may be required to furnish the necessary data. A *pro forma* account relating to a single division is prepared by the Divisional Officer and if it is an account prescribed by an Administrative authority, it will be checked, if desired by the Accountant-General.

581. If for the purpose of any *pro forma* accounts which the Accountant-General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service, or a group of works or services, the expenditure thereon should be booked separately in the general accounts, even though, under rule, it may not be customary to estimate or account for such expenditure separately—*See* also paragraph 83 (*d*).

582. The *pro forma* accounts showing the results of the working of irrigation, navigation, embankment and drainage projects, productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Accountant-General in accordance with the rules prescribed in the Account Code. These accounts are known as the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works.

583. For workshops, manufactories and similar *quasi*-commercial undertaking it is usual to prepare *pro forma* accounts periodically—vide paragraphs 400 (*d*) and 451.

584. In respect of buildings in charge of the Public Works Department, which are available for occupation as residences, capital and revenue accounts are prepared triennially by the Accountant-General, for each circle of superintendence, in accordance with the rules prescribed in the Account Code and any further orders that the Local Government may have issued. For this purpose Divisional Officers should furnish the Accountant-General annually with the necessary data, in respect of such

buildings of their divisions as may have to be included in the circle accounts in T. and A. forms Nos. 257 and 258.

1. On closing the account of a work involving expenditure on the construction, acquisition or equipment of a building intended to be used as a residence, or expenditure on additions and alterations to an existing residential building, the Divisional Accountant should see—

(i) that if it is a new building, it is entered in the Register of Rents of Buildings and lands

(ii) that steps are taken to obtain the orders of competent authority to assess or revise, the rental, as the case may be,

(iii) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being made in the register of buildings referred to in paragraph 261 of the Madras Public Works Department Code.

2. Rule 1 applies also to expenditure on the provision of special services in connexion with residential buildings such as furniture, etc., for which rent is charged separately.

3. If a building is actually occupied prior to closing the accounts of expenditure on construction, acquisition or equipment, rent is nevertheless chargeable from the date of occupancy, and should, therefore, be fixed provisionally with the sanction of competent authority.

4. If under the Supplementary Rules issued under Fundamental Rule 45-A and B or under other financial rules, the standard rents as well as the allownaces fixed for the maintenance of repairs are subject to a periodical review [e.g., see Government of India Supplementary Rules 324 (2) and 322 (3)] the Divisional Accountant should see that they are punctually reviewed and necessary revisions carried out in accordance with the prescribed rules and procedure. This rule does not apply either to the residences belonging to the Local Government or to residences belonging to the Central Government occupied by Central Government servants under the administrative control of the Local Government but applies only to residences of the Central Government occupied by Central Government servants under the direct administrative control of the Central Government.

585. The divisional Annual Account of Cemetery Endowments, Form 90 [P.W.D. VI-41 (*c*)], prescribed in paragraph 15 of Appendix 5, should be submitted to the Accountant-General within a week of the despatch of the Supplementary Account to enable that officer to prepare the consolidated account for the whole State.

E.—CHEQUE BOOKS AND RECEIPT BOOKS.

586. (*a*) A Register of Cheque (and Receipt) Books should be maintained in Form 52 [P.W.D. VI-17 (*a*)], separate pages being reserved for cheque books, permanent and temporary receipt books.

(*b*) Whenever on examining a Cash Book it is noticed that a cheque book or receipt book has been brought into use for the first time, the Divisional Accountant should enter it at once in the register as a new item. At the same time the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 of the register against the original entry relating to that book.

(*c*) The submission of the counterfoils of used cheque and receipt books for check in the divisional office (vide paragraph 175) should be watched through this register and as soon as the counterfoils are received they should be examined, and it should be seen in particular (i) that all items for which receipts were issued were duly brought to account in the cash book, and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the Divisional Officer.

NOTE.—The term "Receipt book" used in the above paragraph applies both to permanent and temporary receipt books. The blank space provided in the counterfoils of the temporary receipt books for filling in the number and date of the corresponding permanent receipt should invariably be filled in before the submission of the counterfoils for check in the Division office.

587. The Register of Cheque (and Receipt) Books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bringing a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

F.—MISCELLANEOUS MATTERS.

588. When a Divisional Accountant is about to be relieved of his duties in a divisional office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the Division. The state of the stock and other suspense accounts and of outstandings in the accounts of works, should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and others which should receive special attention, should be mentioned. Any arrears or defects in the working of the divisional office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving accountant, whether in regard to the initial or compiled accounts or to Objection Statements and Audit Notes received from the Audit office, should also be set forth in detail.

The memorandum should be in a tabular form with columns for (1) remarks by the relieving accountant, (2) remarks by the Divisional Officer, and (3) orders of the Accountant-General. The relieving accountant should examine it when taking over charge and promptly forward it, with his remarks, to the Accountant-General through the Divisional Officer, who will record such observations as he may consider necessary.

588-A. Divisional officers are advised to review from time to time the several registers, books and accounts as are maintained in the Divisional and Subdivisional offices even though under the rules in this Code they may have scrutinized and initialled the individual entries or sets of entries therein. To this end they may require these records to be laid before them through the divisional accountant, monthly or at such other intervals as may be fixed by them. The fact of such review should be placed on record in all cases preferably in Form 96 (P.W.D. VI-124) (Memo. of Review) posted in a suitable position on the account, etc., concerned.

589. When, in consequence of the reconstitution of executive charges or of any other arrangements, the accounts of two or more divisional offices are to be amalgamated, or those of any office are either to be broken up into parts or closed, the Divisional Officers concerned should apply in time to the Accountant-General for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions, the necessary transfer between offices, of unsettled accounts (for examples see margin) of liabilities not yet brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt books), should receive the special attention of all concerned.

(i) Works in progress and suspense accounts of works.
(ii) Appropriations and sanctions not yet completely operated upon.
(iii) Stock and other suspense accounts.
(iv) Remittance accounts.
(v) Deposit and cash balances.
(vi) Unrealized rent and other revenue, and
(vii) Interest-bearing securities.

590. The destruction of account records in Public Works offices is governed by the rules in paragraph 84 of the Madras Public Works Department Code. **In each divisional office full details of all records destroyed from time to time should be maintained permanently in the prescribed form (P.W.D. VI-119).**

APPENDICES.

APPENDIX 1.

Extract from the Auditor-General's Rules [dated 13th April 1927] made by the Secretary of State for India in Council, under section 96-D (1) of the Government of India Act.

1. (1) These rules may be called the Auditor-General's Rules.

(2) They shall be deemed to have come into force on January 4, 1921.

2. In these rules—

(*a*) "Accounts" includes accounts of stores and stock, as well as accounts of money transactions;

(*b*) "Audit Officer" means any officer of the Indian Audit Department who exercises audit functions;

* * * *

(*e*) "Principal Auditor" means the head of an office of accounts or of audit or of both who is immediately subordinate to the Auditor-General:

* * * *

Duties and Powers.

General.

9. Subject to any general or special orders of the Secretary of State in Council, the Auditor-General shall be—

(i) the final audit authority in India; and

(ii) responsible for the efficiency of the audit of expenditure in India from the revenues of India.

* * * *

10. The Auditor-General shall have authority—

(i) to inspect, either personally or through any audit officer, any Government office of accounts in India;

(ii) to arrange for test audit in any Government office of accounts;

(iii) subject to any orders of the Secretary of State in Council prescribing the nature and extent of the audit to be applied to specified classes of expenditure, to frame rules in all matters pertaining to audit, particularly in respect of the method and extent of audit and the raising and pursuance of objections.

Duties and Powers as regards Audit.

11. (*a*) The Auditor-General, without prejudice to his other audit functions, is responsible that audit is conducted with reference to the following cannons, namely:—

(1) Every public officer should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) Money borrowed on the security of allocated revenues should be expended on those objects only for which, as provided by rules made under the Act, money may be so borrowed. If the money is utilized on works which are not productive, arrangements should be made for the amortization of the debt.

(3) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(4) Government revenues should not be utilized for the benefit of a particular person or section of the community unless—

(i) the amount of expenditure involved is insignificant, or

(ii) a claim for the amount could be enforced in a court of law, or

(iii) the expenditure is in pursuance of a recognized policy or custom.

(5) The amount of allowances, such as travelling allowances, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole sources of profit to the recipients.

(*b*) the Auditor-General, or any principal auditor, should bring to the notice of the Governor-General in Council or the Local Government, as the case may be, any breach of one of these cannons.

12. The Auditor-General shall, if so required by the Governor-General in Council,—

(i) arrange for the audit of the accounts of the receipts of revenue of any Government department, the accounts of any public or quasi-public body, or any other accounts, although they may not relate directly to the receipt and expenditure of Government moneys; and

(ii) arrange for the audit of stores or stock in the possession of an officer or a department of Government and for the audit of grants of land and alienations of land revenue.

13. If the Auditor-General considers it desirable that the whole or any part of the audit applied to Government accounts or to any other accounts which he is required to audit under rule 12 shall be conducted in the offices in which these accounts originate, he may require that these accounts, together with all books, papers and writings having relation thereto, shall at all convenient times be made available in those offices for inspection by his audit officers.

* * * *

15. (1) The Auditor-General shall, on such dates as he may prescibe, obtain from each principal auditor and from any officer of the Indian Audit Department to whom he may entrust this duty, appropriation accounts, in such forms as he may prescribe, of the expenditure which came under the audit of such principal auditor or officer of the Indian Audit Department during the past official year, together with a report upon the accounts and upon the results of the audit applied to them. Any officer of Government may be called upon to provide any information necessary for the preparation of such accounts or reports. On receipts of the accounts and reports the Auditor-General shall transmit them to the Governor-General in Council or to the Finance Department of the Local Government concerned with such comments as he may think fit.

(2) The Auditor-General shall forward to the Secretary of State through the Governor-General in Council the several reports dealing with the total expenditure in India in each year with his detailed comments on each report, and may also offer such further comments of a general nature as he may think fit.

* * * *

17. The Auditor-General shall have power to require that any books, papers or writings relating to the accounts audited by the Auditor Department shall be sent for inspection by him or by any other officer of the Indian Audit Department provided that—

* * * *

(ii) if the documents are confidential, the officer, to whom they are made over, shall be responsible for preventing disclosure of their contents.

Duties and Powres as regards Accounts.

18. The Auditor-General shall compile the Finance and Revenue Accounts of India in such form as may from time to time be prescribed by the Secretary of State in Council and shall send them to the Governor-General in Council for transmission to the Secretary of State in Council. He may call upon any Government officer to furnish any information in such form as may be required for the completion of these accounts.

* * * *

22. The Auditor-General shall have power to determine the form in which officers rendering accounts to the Indian Audit Department shall render such accounts and in which the initial accounts, from which the accounts so rendered are compiled or on which they are based, shall be maintained.

(G.O. No. 3296, W., dated 18th November 1929.)

APPENDIX 2.

(See Chapter IV, paragraph 88.)

Rules regulating Personal Matters affecting Divisional Accounts.

1. Accounts attached to divisional offices are member of the establishment of Divisional Accounts for the province. This establishment is under the control of the Accountant-General and the sanctioned cadre provides usually for a trained accountant for each division or other independent executive charge, for certain appointments in the Audit office, and for the usual reserves for leave and training purposes. See also paragraph 88 of the Code.

2. The establishment of Divisional Accountants is recruited by the Accountant-General by selection from the following sources :—

(1) Clerks employed in divisional and subdivisional offices of the Public Works Department who are recommended by the authorities of that department as suitable candidates.

(2) Clerks employed in the Audit office.

(3) Graduates of Indian Universities and other persons who, on account of superior and special qualifications, may be considered suitable for direct appointment.

The examinations, if any, which these various classes have to pass are prescribed in Appendix 3. Clerks in classes (1) and (2) have to pass the prescribed examination prior to selection. After selection they are permitted to retain lien on their substantive appointments until they are confirmed on the permanent establishment of Divisional Accountants. See also paragraph 11.

3. Recruitment from sources (1) and (2) is subject to the condition that the age of the clerk selected does not exceed 30 years at the time of his first appointment otherwise than in a leave vacancy, but the Accountant-General may relax this rule in exceptional cases.

4. Direct appointments from source (3) shall, as a general rule, be limited to one-third of the vacancies in the permanent establishment of Divisional Accountants ; the distribution of the remaining vacancies between the other two sources being made at the discretion of the Accountant-General.

5. All appointments are made on the express condition that Divisional Accountants are liable for service anywhere within the jurisdiction of the Accountant-General, including the Audit office.

6. Every person appointed to the establishment of the Divisional Accountants will be on probation. In the case of a person directly appointed from source (3) his position on appointment will be at the bottom of the list of permanent Divisional Accountants, and in the case of a person recruited from either of the other two sources, his position will, if there are any temporary posts in the sanctioned cadre, be that of the most junior man in the temporary establishment.

7. A Divisional Accountant on probation may be confirmed in the permanent or the temporary establishment, as the case may be, when all the conditions specified below are fulfilled :—

(a) That he has at his credit—

(i) Eighteen months' experience in the accounts work of divisional or subdivisional offices ;

(ii) Six months' experience in the Works Audit Department of the Audit office ; and

(iii) twelve months' continuous service on probation as Divsional Accountant.

NOTE.—The Accountant-General may, for special reasons, release any of these conditions.

(b) That he has passed the Divisional Test prescribed in paragraph 9.

(c) That the Accountant-General is satisfied that the probationer is competent to hold ndependent charge of the accounts of a division, and considers him (from reports received from the Executive officers) fit to hold the position of the senior member of the office establishment of a divisional office.

The period of probation should ordinarily not extend beyond two years in the case of recruit from sources (1) and (2) and beyond three years in the case of those from source (3). Failure to fulfil conditions (b) and (c) within this period, will entail removal from the establishment of Divisional Accountants ; but the Accountant-General may, at his discretion, extend the period by not more than one year.

NOTE.—If under note 1 to rule 9 below, the Accountant-General should in any year, decide to hold one Divisional Test Examination only instead of two, the period of probation may be correspondingly extended so as to ensure that the persons affected shall have the same number of chances to appear at the examination as they would otherwise have had.

8. Every Divisional Accountant on probation should in spite of his previous experience (if any as an Accounts Clerk, be given a regular course of practical training, for such period as may be considered necessary in each case. During this period he should be attached as an additional accountant to one or more divisional offices and to the Works Audit Department of the Audit office and, except with the sanction of the Accountant-General his whole time should be occupied in, learning the processes of compilation and audit of divisional and subdivisional accounts and the rules and orders bearing on the subject. Whilst under training he should be required to keep a diary of the work done and of the progress made by him and to submit it monthly for the information of the Deputy Accountant-General who will be generally responsible for the proper training of probationers.

1. The conditions of this rule may also be relaxed in the following cases :—

(a) if the sanctioned cadre of Divisional Accountants includes no provision for a training reserve

(b) if at any time, the number of probationary accountants still under training exceeds the provision in that cadre for the training reserve.

9. A departmental examination in divisional accounts should be held twice a year by the Accountant-General. This examination should be in two parts: written and *viva voce*. The former should be a severe practical test of the candidate's knowledge of the rules and processes connected with (1) the preparation and examination of initial accounts, stock and tools and plant returns, contractors' bills and other bills and vouchers and (2) the classification and compilation Divisional accounts. The *viva voce* of the part examination is intended to show whether the probationer can promptly give appropriate advice to the executive officers of the Public Works Department when consulted by the latter in matters concerning the accounts and the financial arrangements of divisional and subdivisional offices. The examination should be conducted under the supervision of a Divisional officer or of a gazetted officer of the Audit office. The candidate should not be allowed access to any books; and to pass the examination he must obtain not less than 66 per cent marks in either part.

NOTE 1.—An Accountant-General shall have discretion to hold only one examination in each year instead of two when he considers that the second examination will merely have the effect of swelling to an undue extent the number of accounts clerks qualified for posts as Divisional Accountants under rule 7 above but not promoted owing to lack of vacancies.

NOTE 2.—In order to fix a common standard the candidate's answers to the *viva voce* paper should be taken down by the officer conducting the examination and the answer papers of all candidates of both the parts of the examination should be marked by one and the same officer of the Audit Department.

10. Besides Divisional Accountants on probation, men of the following classes who have passed the public admission examination prescribed in Appendix 3 may also be permitted by the Accountant-General to sit for the departmental examination referred to in paragraph 9—

(i) officiating Divisional Accountants;

(ii) clerks, serving either in the Audit office or in divisional or subdivisional offices, who have been employed for at least two years on accounts duties in divisional and subdivisional offices;

(iii) other clerks of the Audit office who have been employed for at least two years on audit and accounts duties in the Works Audit Department and whose qualifications are so superior that the required experience of divisional and subdivisional accounts may, in the opinion of the Accountant-General, be dispensed with. This permission should, however, be granted sparingly and with discretion.

NOTE 1.—Individuals will not ordinarily be permitted to appear more than three times for the Divisional Test Examination under this rule, but the Accountant-General may be, in special circumstances, allow two additional chances to individuals whom he considers deserving of the concession. The loss of a chance under this rule owing to failure to pass the examination will entail a corresponding reduction in the number of chances allowed under rule 7 if and when the individual concerned should eventually be selected for the post of probationary Divisional Accountant under rule 2.

NOTE 2.—An officiating Divisional Accountant or a clerk should not be permitted to appear at the Divisional Test Examination under this rule unless he is certified by his superior officer, being either a Public Works Officer not lower in rank than an Executive Engineer or a Gazetted Audit Officer, to be regular in his attendance, energetic, of good moral character and business habits to give indication of possessing aptitude for the work of a Divisional Accountant and to have a reasonable prospect of passing the examination.

NOTE 3.—Men referred to in clauses (i) to (iii) above whose age exceeds 30 years are not entitled to sit for the departmental examination under this rule but the Accountant-General may relax the age-limit in individual cases *provided* he considers them to be exceptional cases for the purpose of rule 3.

11. The passing of the Divisional Test does not entitle the candidate to claim an appointment to the cadre of Divisional Accountants. In the case of clerks of divisional and subdivisional offices, however, the passing of the Divisional Test will be considered a special qualification. All appointments to the cadre of Divisional Accountants are made by selection (vide paragraph 2), but the relative seniority for appointment to this cadre, of clerks of divisional and subdivisional offices who have passed the examination, should ordinarily be determined by the date of passing.

12. Except in Burma Divisional Accountants are borne on a time scale of pay Rs. 100—10—270—30/5—300 and when placed in charge of the accounts of a divisional office, are entitled to a special pay of Rs. 20 a month, which is reduced to Rs. 10 on attainment of the Rs. 140 stage and ceases altogether at the Rs. 150 stage.

13. The grant of annual increments on the time scale of pay rests with the Accountant-General. It may be assumed that he has sanctioned an increment unless an order withholding the increment has been received.

14. Members of the Divisional Accountant's establishment are eligible for promotion to the Subordinate Account Service of the Audit office under the rules given in the Audit Code. To assist them in qualifying themselves for the examination for promotion prescribed therein, a limited number of them will, from time to time, be attached to the audit office.

15. To enable the Accountant-General to maintain the Confidential Register of Divisional Accountants in his office, each Divisional Officer will forward to him a confidential report in form 98 (P.W.D. VI-50) on the work and conduct of his Divisional Accountant—

(1) on the 1st of April each year, and

(2) when himself vacating the charge of the division.

A separate report should be written on each Divisional Accountant who has served under the Divisional Officer since the submission of the law report. No report need be sent on a Divisional Accountant who has not served under the Divisional Officer for more than three months unless there is anything special which should be brought to the notice of the Accountant-

General. The report should be written in the Divisional officer's own handwriting and should be forwarded by him confidentially to the Accountant-General by name, no copy being kept in the divisional office. Any point in which the Accountant is specially good should be mentioned specifically, as also any defects of character or other shortcomings. It should be mentioned specially if the Accountant is reliable in all respects, can manage the staff well and exercises healthy influence over his subordinates.

1. It is not necessary that when the Divisional Officer makes adverse comments on the work or conduct of as Divisional Accountant, he should tell him so: but it is necessary, that, ordinarily at some time or other during the period under report, the Divisional Accountant should have been made acquainted with the opinion of the Divisional Officer and told that he must endeavour to effect and improvement. Only those defects need be pointed out which can be remedied and great attention should be paid to the manner and method of communication in order to insure that having regard to the temperament of the Accountant, the advice given and the warning administered shall be most beneficial to him. It is important that the effect of the admonition should be mentioned in the confidential report.

16. Transfers of Divisional Accountants from one office to another are ordered by the Accountant-General.

1. The Accountant-General will, as far as possible, endeavour to meet the wishes of Superintending Engineers in regard to the removal of Divisional Accountants from divisions in their circles, but he is not required to obtain their concurrence to such transfers.

17. The rules regarding examinations in the vernacular, which are applicable to subordinates in the Public Works Department, will apply to Divisional Accountants also.

18. The following rules of the Audit Code are reproduced for the general information of Divisional Accountants :—

68. The grant of leave to all persons on the establishment lies with the Accountant-General. In cases of illness, medical certificates should ordinarily be accepted only from recognized medical attendants according to the leave procedure rules applicable to establishments under the contro of the Government of India.

*   *   *   *   *   *   *

74. Government servants of and below the rank of Senior Accountant, and Divisional Accountants, are not a liberty to take up the audit of accounts or other similar private work otherwise than under the rules framed by the Government of India under rule 47 of the Fundamental Rules subject to the following conditions :—

(1) The Government servant concerned must obtain the previous permission of the head of his office to undertake the particular work.

(2) The work shall not be done during office hours or at any other time when his services may be required, and no work shall be undertaken which is connected with his work as a servant of Government.

(3) He shall not in the audit reports or other documents relating to the work sign his name as in any way belonging to the service of Government.

(4) No Government servant shall be allowed to receive as remuneration for such work in the course of any official year fees in excess of one-third of his pay for that year, nor shall he receive for any single piece of work a fee exceeding Rs. 300.

(5) Permission shall not be given to audit the accounts or a bank of public company of a commercial kind.

(6) No Government servant shall be allowed to undertake for remuneration the work of maintaining or supervising the accounts of an institution without the previous sanction of the Auditor-General, which will ordinarily not be given.

75. " The Government Servants' Conduct Rules " . . . are applicable to all members of the establishment. Copies of the rules should be kept available for general reference in each office.

93. Every . . . . . Accountant should be supplied with a copy of *this Code and of general books of reference, *e.g.*, the Civil Service Regulations, the Fundamental Rules, the Account Code, the Civil Account Code, the Public Works Department Code and the Public Works Account Code (with the Book of Forms) . . . . Books so supplied will be treated as personal copies and may be carried away by an officer on his transfer to another office. Corrections issued from time to time will be supplied by the Accountant-General, but the officers concerned will be personally responsible for the proper maintenance of the books.

* i.e., the Audit Code.

APPENDIX 3.

(Referred to in Appendix 2).

Rules for the Public Examination qualifying for admission to the establishment of Divisional Accounts.

1. No one will be eligible for admission to the establishment of Divisional Accounts until he passes an examination in the following subjects held under the orders of the Auditor-General :—

Subject.	Full marks.	Minimum passing marks.
Writing (neatness, clearness and rapidity)	100	50
Dictation (spelling, punctuation, etc.)	100	50
Essay Writing	100	50
Arithmetic (the whole)	240	160
Elementary Geometry	50	25
Mensuration (the whole)	60	30
Book-keeping (Mercantile)	100	50

A candidate must also obtain 500 marks in the aggregate, i.e., two-thirds of the total marks in order to pass the examination.

1. This examination is conducted by a single examining body, viz., the Bengal Engineering College, Sibpur.

2. The following are exceptions to this rules :—

(*a*) Clerks who have passed the Subordinate Accounts Service Examination under the (new) rules laid down in section IV of Appendix 4 to the Audit Code.

(*b*) Persons who have passed the Higher Certificate Examination in Book-keeping and Accountancy of the London Chamber of Commerce or the Government Diploma Examination in Accountancy, with or without qualifying themselves to hold the diploma itself, and hold a certificate of having passed the Matriculation Examination of an Indian University or any other examination of a similar standard of general education, are eligible for appointment as Divisional Accountants without further examination.

(*c*) Persons who have passed in both the examinations named in the margin, and have obtained a minimum of 50 per cent of full marks in each of the three subjects named below and two-thirds of the aggregate marks for the three subjects, are eligible for appointment to the Divisional Accountant's Service without further examination :—

(1) The Intermediate Examination in Commerce of the Board of High School and Intermediate Education, United Provinces or any similar* examination held by any other Indian University which is declared by the University authorities concerned to be of the same standard.

(2) The Matriculation or the School-Leaving Certificate Examination of the Allahabad University, or any other University Examination which is declared by the University authorities concerned to be of the same standard as the Matriculation Examination of the Allahabad University.

(1) Book-keeping and Accountancy of the Intermediate Examination Commerce of the Board of High School and Intermediate Education, United Provinces or, examination in Book-keeping of any other Indian University which the University authorities concerned declare to be of the same standard as that of the Allahabad University.

(2) English
(3) Mathematics } of the Matriculation or other equivalent examination.

(*d*) A graduate of an Indian University may be exempted by the Accountant-General of the Province from the examination except in book-keeping, if the latter is satisfied that the candidate is an accurate and quick arithmetician. He must obtain two-thirds of the full marks in Book-keeping (i.e., 67 out of 100 marks) before he is declared to have passed the examination.

3. This examination is held during the second whole week of January, at the Bengal College of Engineering, Sibpur, and at the offices of the Accountants-General, Madras, Bombay, Bihar (Ranchi), United Provinces (Allahabad), Punjab (Lahore), Burma (Rangoon), and Central Provinces (Nagpur), the Controllers, Assam (Shillong), North-West Frontier Province (Peshawar Cantonment) and Sind (Karachi) and the Accountant-General, Central Revenues, Delhi.

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* The following examinations have been declared to be of the same standard as the Intermediate Examination in Commerce of the Board of High School and Intermediate Education. United Provinces :—

Commercial Diploma Examination of the Punjab University.

Second-year Post Matriculation Clerical Examination of the Educational Department, Pubjab, with Accountancy as the special subject.

The Bachelor of Commerce Examination of the Dacca University.

The Bachelor of Commerce Examination of the Calcutta University.

Second Year Commercial and Advanced Clerical Examination of the Educational Department, Delhi, with Accountancy as special subject.

The Bachelor of Commerce, Examination for the Bombay University.

B.Com. Examination of the Punjab University.

The Bachelor of Commerce Examination of the Agra University.

The Bachelor of Commerce Examination of the Lucknow University.

4. Other centres of examination may be fixed by Accountants-General, provided that the number of candidates is sufficiently large and suitable arrangements can be made for the conduct of the examination under the supervision of a gazetted officer.

5. Only candidates whose age does not exceed 24 years on the first January of the year in which the examination is held are eligible, but persons holding permanent pensionable appointments in Government service may be permitted to undergo the examination up to the age of 29 years.

NOTE 1.—Candidates holding permanent pensionable post under the Kashmir, Bikaner and Bhawalpur States and whose age exceeds 24 years will be admitted to the examination on the condition that they will not be eligible for appointment as Divisional Accountants under Government.

NOTE 2.—An application for exemption from the prescribed age-limit should be submitted by the candidate to the Auditor-General through the Accountant-General of his province.

NOTE 3.—The higher age-limit of 29 years prescribed in this rule is applicable also to persons holding permanent posts to which Contributory Provident Fund Rules apply.

6. A candidate, if residing in a Governor's Province, will apply to the Accountant-General of his Province and, if residing elsewhere, to the Accountant-General, Central Revenues, stating the centre at which he wishes to be examined and enclosing a fee of Rs. 12 and the following certificates and a registration form :—

(i) Certificate of good character signed by the candidate's immediate official superior, by the instructor under whom he has been educated, or by some other superior under whom he may have been brought up or employed or to whom he may be well known. This certificate must have special reference to the two years immediately preceding the date of the application and this should be specifically mentioned in the certificate.

(ii) A duly verified statement of age, e.g., a Baptismal certificate, a birth certificate, an affidavit signed by the guardian or a relative of the candidate before a magistrate, or an attested extract from the service book if the candidate is already in Government employ.

The application which should be written by the candidate in his own handwiritng, and the certificates in original (which will not be returned) should be submitted so as to reach the office of the Accountant-General concerned not later than the 15th November preceding the date fixed for the examination. A certificate to the effect that the application is in the handwriting of the candidate should be endorsed on the application by the person in whose presence the candidate's thumb-impression is taken in connexion with item (9) of the registration form referred to in rule 7.

A graduate candidate for examination in book-keeping only under paragraph 2 (*d*) above will also be required to pay the full fee of Rs. 12.

NOTE 1.—Candidates residing in the Kashmir and Bikaner States should apply to the Accountant-General of the respective States, who will forward direct to the Principal, Bengal Engineering College, Sibpur, the statement mentioned in rule 9 below.

NOTE 2.—The Accountant-General, Posts and Telegraphs, exercises the same powers as Civil Accountants-General do, in respect of candidates appearing from the Post and Telegraphs Department. These should submit their applications through the Accountant-General, Posts and Telegraphs.

7. The Registration Form should set forth the following particulars :—

(1) Name of candidate (in full) including Christian or personal names (to be written in capitals).
(2) Father's name (in full).
(3) Nationality or class (European, Anglo-Indian or Indian).
(4) (For Indian candidates only) caste or tribe.
(5) Date of birth.
(6) Examination passed with dates.
(7) Signature of candidates.
(8) Present address to which all communications will be forwarded.
(9) Thumb-mark of candidate's left hand to be made in the presence of a well-known responsible person who knows the candidate.

NOTE.—A candidate already in Government service should, in like manner, submit his application through his immediate official superior with a certificate that he is holding a permanent pensionable post, if his age exceeds 24 years.

8. Applications which do not satisfy the requirements of the foregoing rules should be rejected without entering into further correspondence with the candidates. Other applications will be considered on their merits by the Accountant-General whose decision as to whether or not the candidate should be allowed to appear for the examination will be final.

9. By the 1st December preceding the date fixed for the examination, the Accountant-General should forward to the Principal of the Bengal Engineering College, Sibpur, for registration a statement showing in respect of accepted candidates only, their names, dates of birth, addresses and the centres where they are to be examined. This statement should be supported by the accepted candidates' registration forms duly signed by the Accountant-General in token of acceptance, which should be carefully preserved by the Principal.

10. Simultaneously each candidate should be informed whether or not his application has been accepted.

11. The fees of rejected candidates should be returned to them by postal money order at their cost, and those of accepted candidates should be remitted in consolidated sums to the Accountant-General, Bengal, by means of Remittance Transfer Receipts together with a covering letter containing the names of the candidates.

1. If there is only one accepted candidate and the amount to be remitted is thus less than the minimum amount for which a Remittance Transfer Receipt can be issued, the amount may be remitted to the Accountant-General, Bengal, by money order, at Government expense.

12. As each examination is complete in itself, a candidate who has failed in an examination and presents himself for an examination on a subsequent occasion, must undergo the full examination and furnish a fresh fee with fresh certificates and registration form. If from any cause the candidate fails to appear for the examination, the fee paid will not be refunded, nor will it be placed to his credit for any subsequent examination.

13. Examination papers for registered candidates only will be sent by the Principal to the officers conducting the examination in time for the fixed dates.

14. The examination will be held at all the centres simultaneously under the supervision of gazetted officers on the dates and at the hours fixed by the Principal, which should be communicated by the Principal direct to the registered address of each accepted candidate by registered post.

15. The results of the examination will be declared by the Principal within three months after the examination and communicated direct to each examinee, showing only the marks gained by him in each subject and the order of standing in the case of successful candidates. A few printed copies of the complete results of successful candidates only, showing (1) order of merit, (2) name (in full), (3) father's name, (4) date of birth, (5) examinations passed, (6) marks gained in each subject and in the aggregate, and (7) address, should be forwarded to each Civil Accountant-General to enable him to maintain lists of passed candidates.

16. It must be distinctly understood that the passing of this examination does not give any claim to appointment as a Divisional Accountant, and that applications for appointment should not be addressed to the Principal. The passing of this examination is a necessary qualification, but the establishment of Divisional Accountants is mainly recruited by selection from amongst qualified clerks actually employed on accounts duties in the divisional and subdivisional offices of the Public Works Departments or in Civil Audit offices. A small number of graduates of Indian Universities or other persons of superior and special qualifications who may have passed this public examination may, however, be appointed direct by the Accountant-General—vide paragraph 4 of Appendix 2.

17. These rules may at any time be amended or revised by the Auditor-General who reserves to himself the power to grant exemptions from this Public examination in very special cases. No general revision of the rules affecting the subjects of the examination or the necessary qualifications of candidates will be enforced until three years have elapsed since the date of such revision.

NOTE 1.—Application for these rules should be made to the Accountant-General of the Presidency or Province in which the candidate lives.

NOTE 2.—The question papers of previous years may be obtained from the Officer-in-charge of the Book Depot, Writers' Buildings, Calcutta, on prepayment of the cost. For price, the application should be made to him.

NOTE 3.—All communications to the Bengal Engineering College shall be addressed to the Principal, Bengal Engineering College, Botanic Garden P.O., Howrah.

NOTE 4.—All applications in connexion with exemption should be addressed to the Accountant-General concerned and not to the Principal, Bengal Engineering College.

NOTE 5.—The Principal, Bengal Engineering College, cannot correspond with canidates who are dissatisfied with the marks awarded to them. Letters received by him on this subject will not be replied to.

APPENDIX 4.

(See Chapter III, paragraph 77.)

List of Major and Minor Heads of Account of Public Works Receipts and Disbursements.

NOTE.—The numbers within brackets indicate reference to the Explanatory Notes.

REVENUE.

C.—Irrigation, Navigation, Embankment and Drainage Works (1).

Major heads.	Minor heads.
XVII.—IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS FOR WHICH CAPITAL ACCOUNTS ARE KEPT—	
A. Irrigation Works—	
(1) Productive Works—	
Gross Receipts	Direct Receipts—Water-rates. (2) Owner's rates. (3). Water-supply of towns, (4) Sale of water. (5) Plantations. (6) Other canal Produce. (7) Water-power. (8) Navigation. (9) Rents. (10) Fines. (11) Recoveries of Expenditure. (19) Miscellaneous (12). *Deduct*—Refunds.
	Portion of Land Revenue due to Works. (13)
Deduct—Working Expenses	Extensions and Improvements. (14) Maintenance and Repairs. (14) Establishment. (15) Tools and Plant. (16) Suspense. (18) *Deduct*—English Cost of Stores. (20) Loss or Gain by Exchange. (21)
Net receipts	(2) Unproductive Works—
Gross Receipts	Same as for A (1).—Productive Works.
Deduct—Working Expenses.	
Net Receipts or Payments.	
B.—Navigation, Embankment and Drainage Works. (23)—	
(1) Productive—	
Gross Receipts	Direct Receipts—Navigation. (9) Sales of water. (5) Plantations. (6) Rents. (10) Recoveries of expenditure. (19) Miscellaneous. (12) *Deduct*—Refunds.
	Portion of Land Revenue due to works. (13)
Deduct—Working—Expenses	Same as for A (1) above.
Net Receipts	
(2) Unproductive—	Same as for B (1) above.
Gross Receipts	
Deduct—Working Expenses	
Net Receipts or Payments.	

Major heads.	Minor heads.

C.—Irrigation, Navigation, Embankment and Drainage Works (1)—*cont.*

XVIII.—Irrigation, Navigation, Embankment and Drainage works for which no capital accounts are kept—

Major heads.		Minor heads.
(A) Irrigation Works—	Direct Receipts.	Water-rates. (2) Owners rates. (3) Water-supply of towns. (4) Sales of water. (5) Plantations. (6) Other canal produce. (7) Water-power. (8) Navigation. (9) Rents. (10) Fines. (11) Recoveries of expenditure. (19) Miscellaneous. (12) *Deduct*—Refund.
	Portion of Land Revenue due to works.	
(B) Navigation, Embankment and Drainage Works. (23)	Direct Receipts.	Navigation. (9) Sales of water. (5) Plantations. (6) Rents. (10) Recoveries of expenditure. (19) Miscellaneous. (12) *Deduct*—Refunds.
	Portion of Land Revenue due to works.	

H. Civil Works.

XXXIX.—Civil Works	Rents. (10) Interest on cemetery endowments. Ferry receipts. Tolls on roads. Recoveries of expenditure. (19) Miscellaneous. (22) *Deduct*—Refunds. Transfer from the Central Road Development Account. (22-A)

J. Miscellaneous.

XXXII.—Transfers from Famine Relief Fund. (24)

EXPENDITURE CHARGED TO REVENUE.

C.—Revenue Account of Irrigation, Navigation, Embankment and Drainage Works (1).

17.—Interest on Irrigation Works for which capital accounts are kept. (25)	Irrigation Works. Navigation, Embankment and Drainage Works.
18.—Other Revenue Expenditure financed from ordinary Revenues—	
A. Irrigation Works—	
(1) Works for which neither Capital nor Revenue Accounts are kept.	Works. (14) Extensions and Improvements. (14) Maintenance and Repairs. (14) Establishments. (15) Tools and Plant. (16) Suspense. (18) *Deduct*—English cost of Stores. (20) Loss or Gain by Exchange. (21)

Major heads	Minor heads.

C.—Revenue Account of Irrigation, Navigation, Embankment and Drainage Works (1)—*cont.*

18. OTHER REVENUE EXPENDITURE FINANCED FROM AORDINARY REVENUES—*cont.*	
A.—Irrigation Works—*cont.*	
(2) Micesllaneous expenditure.	Establishment. (15) Tools and Plant. (16). Other charges. Granst-in-aid. (17-A) Suspense. (18) *Deduct*—English cost of stores and Establish ment. (20-A) Loss or Gain by Exchange. (21)
B.—Navigation, Embankment and Drainage Works. (23)—	
(1) Works for which neither Capital nor Revenue Accounts are kept.	As for A (1) above.
(2) Miscellaneous expenditure. ..	As for A (2) above.
Deduct—Amount financed from Famine Relief Funds. (24)	
Net amount charged to Ordinary Revenues.	
18. (1).—OTHER REVENUE EXPENDITURE FINANCED FROM FAMINE RELIEF FUND. (24).	Irrigation Works. Navigation, Embankment and Drainage Works.

C.C.—Capital Account of Irrigation, Navigation, Embankment and Drainage Works charged to Revenue (1).

19.—CONSTRUCTION OF IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS. (24-A)	
A. Financed from Famine Relief Fund ..	Irrigation Works. Navigation, Embankment and Drainage Works.
B. Financed from Ordinary Revenues ..	Same as for A above.
Deduct—Repayments of Capital Expenditure charged to Ordinary Revenues.	Same as for A above.
Net amount charged to Ordinary Revenues.	Same as for A above.

H.—Civil Works.

50.—CIVIL WORKS	Original Works (26) and (26-A to D) Buildings (27)— Customs. Taxes. Salt. Opium. Land Revenue. Excise. Stamps. o Forest. Registration. General Administration. (28). Aidit. Adiministration of Justice. (29). Jails and Convict Settlements. (30) Police. Pats and Pilotage. (30-A) Ecclasiastical. (31) Political. Seintific Departments. (32)

H.—Civil Works—*cont.*

Major heads.	Minor heads.
50. Civil Works—*cont.*	Original Works (26) and (26-A to D) Buildings (27)—*cont.*
	Education other than European and Anglo-Indian Education. (33)
	European and Anglo-Indian Education (33).
	Medical. (34)
	Public Health.
	Agriculture (35)
	Industries.
	Currency.
	Mint. (36-A)
	Civil Works. (37)
	Stationery and Printing.
	Miscellaneous Departments. (38)
	Original Works (26)—Communications. (39)
	Original Works—Miscellaneous. (39-A)
	Repairs. (26-A to D) (26) (27) (40)
	Establishment. (15)
	Tools and Plant. (16)
	Grants-in-aid. (17)
	Suspense. (18)
	Deduct—English cost of stores and Establishment. (20-A)
	Loss or Gain by Exchange. (21)

H.H.—Civil Works and Miscellaneous Public Improvements not charged to Revenue.

51. Civil Works—Not Charged to Revenue. (59)

J.—Miscellaneous.

Major heads.	Minor heads.
54. Famine. (40-A)—	
A. Famine Relief. (41)	Salaries and Establishments. (42)
	Relief Works. (43) (44)

Capital Expenditure not charged to Revenue.

CC.—Capital Account of Irrigation, Navigation, Embakment and Drainage Works not charged to Revenue (1).

Major heads.	Minor heads.
68. Construction of Irrigation, Navigation, Embankment and Drainage Works—	
A. Irrigation Works—	
(1) Productive	Works. (14)
(2) Unproductive	Establishment. (15)
	Tools and Plant. (16)
	Suspense. (18)
	Deduct—Receipts and Recoveries on capital account. (19)
	Deduct—English cost of Stores. (20)
	Loss or Gain by Exchange. (21)
	Same as for A (1) above.
B. Navigation, Embankment and Drainage Works. (23)—	
(1) Productive	Same as for A (1) above.
(2) Unproductive	Same as for A (1) above.
Deduct—(24-A)	
Amount financed from Famine Relief Fund.	
Amount financed from Ordinary Revenues.	

Major heads.	Minor heads.

CC.—Capital Account of Irrigation, Navigation, Embankment and Drainage Works not charged to Revenue (1)—*cont.*

68.—CONSTRUCTION OF IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS —*cont.*

B. Navigation, Embankment and Drainage Works (23)—*cont.*

Add—Repayments of Capital Expenditure charged to Ordinary Revenues. (24)

Net amount not charged to Revenue.

Central ledger heads.	Local ledger heads.

DEBT HEADS

O.—Unfunded Debt.

SAVINGS BANKS DEPOSITS—BANK ACCOUNTS.	Cemetery Endowment Funds. Other Miscellaneous Provident Fund. (45)

P.—Deposits and Advances.

DEPOSITS OF LOCAL FUNDS	District Funds. Municipal Funds. Cantonment Funds. Other Funds—Port and Marine Funds.
CIVIAL DEPOSITS	Public Works Deposits.
ADVANCES REPAYABLE	Civil Advances— Advances of the Public Works Department.
ACCOUNTS WITH FOREIGN STATES	Account Current with Indian States. (48)
DEPARTMENTAL ACCOUNTS ..	Public Works Cash Balances. (49)

Q.—Loans and Advances by the Central Government.

LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT.	Advances to Cultivators.

R.—Loans and Advances by Provincial Governments (51).

LOANS AND ADVANCES BY PROVINCIAL GOVERNMENTS.	Advances to Cultivators. (50)

S. Remittances.

CASH REMITTANCES AND ADJUSTMENTS BETWEEN OFFICERS RENDERING ACCOUNTS TO THE SAME ACCOUNTANT-GENERAL.	Public Works Remittances. (52) I.—Remittances into Treasuries. 53) II.—Public Works Cheques. (53) III.—Other Remittances. (54)
ACCOUNTS BETWEEN CIVIL AND CIVIL (55) ..	In each province there is one head for Central Revenues, and one for each of the nine Provincial Accountants-General (Central Provinces, Burma, Assam, Bengal, Bihar and Orissa, United Provinces, Punjab, Madras and Bombay).
TRANSFERS BETWEEN PUBLIC WORKS OFFICERS.	Transfers between Public Works Officers. (56)
EXCHANGE ACCOUNTS BETWEEN CIVIL AND POSTS AND TELEGRAPHS.	....
EXCHANGE ACCOUNTS BETWEEN CIVIL AND MILITARY (INCLUDING MARINE).	In each province, there is one head for each.
EXCHANGE ACCOUNTS BETWEEN CIVIL AND RAILWAYS.	Military Accounts Officer in India. (57). (58)

EXPLANATORY NOTES.

(1) For the classification of expenditure and revenue pertaining to Irrigation, Navigation, Embankment and Drainage Works, under major heads and sections thereof—see Statement A append d.

(2) Sale-proceeds of water for irrigation purposes only.

(3) Rates imposed on owners of land in respect of the benefit which they derive from irrigation.

(4) Sale-proceeds of water supplied to towns for domestic purposes only.

(5) Sale-proceeds of water supplied for purposes other than irrigation or town consumption.

(6) Sale-proceeds of produce from regular canal plantations.

(7) Sale-proceeds of produce (e.g., wood, grass, etc.), from canals or tanks other than from regular plantations.

(8) Mill rents and all charges made for water applied to generate electricity or turn machinery —vide paragraph 258 of this Code.

(9) Transit dues, transport profits, tools and hire of ferry boats, etc.

Rents, realized from canal berms should be credited to "Navigation" and not to "Miscellaneous."

(10) Includes rents of buildings, furniture and other special amenities but excludes rents of land. Suitable detailed heads should be opened for the record of several kinds of these rents according to local requirements.

NOTE.—In the Madras Presidency, the following detailed heads have been opened :—
(1) Rents other than rents of furniture: and
(2) Rents of furniture.

(11) Fines for wastage of water and infringement of canal rules.

(12) Includes receipts by sale of drift wood, rents of land, supervision charges on sales of stock, value of stores found surplus, profits and stock due to revaluation, lapsed deposits, and fines [other than those for wastage of water and infringement of canal rules—vide (11) above] and confiscated deposits which do not represent compensation for damage to works in progress.

NOTE.—When a fine is imposed or deposit confiscated with the object of defraying expenditure caused by the action of an individual or firm, as when a contractor is penalized for abandonment of his contract owing to the fact that such abandonment has increased the cost of the work, the amount of the penalty may be taken in reduction of the expenditure.

A separate minor head should be provided for receipts from quasi-commercial workshops, which are not to be taken in reduction of expenditure under Rule 1 to paragraph 449. This head should be subdivided according to the requirements of the *pro forma* accounts of the workshops.

Should the Local Government deem any source of revenue, not specifically mentioned in the minor heads provided, to be of sufficient importance to necessitate a separate account being kept of it, this can be done by opening a detailed head for the purpose under the minor head "Miscellaneous."

Rents realized from canal berms should be credited to "Navigation" and not to "Miscellaneous."

(13) Indirect receipts due to the works, such as enhancement of land revenue, interest on the proceeds of the sales of waste land, after deduction, where necessary, of the cost of Civil Administration.

(14) The detailed classification of works expenditure is given in Statements B and C apppended,

(15) The detailed classification of the minor head "Establishment" is given in Statement D appended.

(16) The divisions are (1) New Supplies, (2) Repairs and Carriage, (3) *Deduct*—Recoveries and (4) Lump-sum charges creditable to other Governments, Departments, etc. The first of these is further divided into scientific instruments and Drawing materials. Plant and machinery, Tools, Navigation plant, Camp equipage, Live stock and Office furniture. The third of these is intended for the record of recoveries on account of tools and plant charges when these are taken in reduction of expenditure—vide Statement E, clause 5 (ii).

(17) Cash contributions to local bodies for the construction and maintenance of works of the classes the expenditure on which, in the case of Government works, would be classed either under "Original Works (or Repairs)—Buildings—Civil Works" or under "Original Works (or Repairs)—Communications." See also paragraph 470 and Rule 1 under paragraph 393.

(17-A) Contributions to local bodies for the construction of works which in the case of Irrigation, Navigation, Embankment and Drainage works of Government would be classed under either "Works" or "Extensions and Improvement" or for the maintenance of such works. See paragraph 470.

(18) The sub-heads are (1) Purchases, (2) Stock, (3) Miscellaneous P.W. Advances, (4) London Stores and (5) Workshop Suspense. *See* also Chapter XII and paragraph 445.

(19) See Statement E appended.

(20) Subdivided into I—Par value, and II—Loss or Gain by Exchange; see also paragraph 430.

(20-A) Subdivided into I—Stores and II—Establishment, each of which heads is further divided into (*a*) Par Value and (*b*) Gain or Loss by Exchange. The Establishment charges incurred in England do not appear in the accounts of the Divisional Officers, but are incorporated in the accounts of the province by the Accountant-General. The establishment charges in England pertaining to Irrigation Works, etc., are debited to the minor head "Establishment" subordinate to the major head "15-A (3)" or "15-B (3)", as the case may be, at the average rate of exchange for the month in which payment is made by *per contra* credit to the minor head, "*Deduct*—English cost of Stores and Establishment" subordinate to the major head concerned. Similar adjustments are made under the major head "50. Civil Works" in respect of Establishment charges in England pertaining to the Buildings and Roads Branch.

(21) Subdivided into I—Stores, and II—Establishment; *see* also paragraphs 428 *etseq* and 123.

(22) Includes rents of lands; sales of produce; including wood, grass, fruits, vegetables, etc., from compounds of buildings when such produce is Government property; supervision charges on sales of stock; value of stores found surplus; profits on stock due to revaluation; lapsed deposits; and fines and confiscated deposits which do not represent compensation for damage to works in progress [vide Note under (12)].

A separate minor head should be provided for receipts from quasi-commercial workshops, which are not to be taken in reduction of expenditure under Rule 1 to paragraph 449. This head should be subdivided according to the requirements of the *pro forma* accounts of the workshops.

All receipts from inspections of electric installations should be credited to this head.

(22-A) As a result of the recommendations of the Indian Road Development Committee, both the excise and import duties on motor spirit were raised from four to six annas with effect from the 28th February 1929, the additional revenue being earmarked for credit to the "Road Development Fund" from which grants are made to Provincial Governments and others for expenditure on special Schemes of Road Development approved by the Government of India. The entire proceeds of the additional revenue are credited to the head "I. Customs", but at the end of each year, an equivalent amount, after retaining a certain portion as the share of the Civil Aviation Department, in respect of petrol consumed for aviation purposes, is transferred as a block grant to the Road Development Fund by debit to the head "50. Civil Works—Appropriation to Road Development Fund." Grants made out of this Fund to Provincial Governments and others are charged to the Fund. The charges of the Road Engineer with the Government of India and his staff, which are met out of the 10 per cent reserve retained by the Government of India in the Road Development Account, are brought to account in the first instance under "50. Civil Works—Central", the debit under that head being set off by an equivalent amount transferred from the deposit head "Road Development Fund" so that the net charge under "50. Civil Works" will be nil. The credit under "50. Civil Works" is shown under a distinct sub-head "*Deduct* amount met from the Road Development Fund."

The subventions made from the Central Road Development Fund to Provincial Governments and centrally administered areas for expenditure on road development are credited to the head "Subventions from Central Road Development Fund" in the accounts of the Province or of the Central area concerned. This head is debited with the expenditure on approved schemes of road development. The actual expenditure incurred from time to time is charged in the Provincial Account to the head "50. Civil Works" or other appropriate head of account concerned under a separate subdivision of the minor head "Communications" or "Grants-in-aid" or other head of account concerned. At the same time, an equivalent amount of expenditure is transferred month by month to the deposit head "Subventions from Central Road Development Account" by credit to "XXXIX. Civil Works—Transfers from Road Development Account". A similar procedure is also followed in the accounts of centrally administered areas, with the difference that the transfer to the deposit head "Subventions from Central Road Development Fund" is made by credit to "50. Civil Works—*Deduct* amount met from subventions from Road Development Fund" or other appropriate head of account concerned, instead of by credit to "XXXIX. Civil Works."

(23) The section "Navigation, Embankment and Drainage Works" is intended for the receipts and charges relating to waterways, navigable canals, embankments and other agricultural and drainage works undertaken primarily not for irrigation purposes but for the general improvement of the country or for general administrative purposes.

(24) Purely transfer heads in which the executive officers of the department are not directly interested and which are operated upon by the Accountant-General.

(24-A) Capital Expenditure on Irrigation, Navigation, Embankment and Drainage Works which it is proposed to meet from Current revenues, should be accounted for initially and finally under the head "19" with the same details as are shown under the head "68".

(25) Charges under this major head do not appear in the accounts of Divisional Officers.

(26) (1) The term "Original works" indicates new construction whether of entirely new works or of additions and alterations existing works, except as hereinafter provided; also all repairs to newly purchased or previously abandoned buildings required for bringing them into use.

(2) The term "Repairs" indicates primarily operations undertaken to maintain in proper condition buildings and works in ordinary use. It also includes new works in circumstances indicated in clause (3) and the "exception" to clause (4) below.

(3) When a portion of an existing structure or other work, not being a road, road surface road bridge, causeway, embankment, ferry approach, protective or training work in connexion with a road is to be replaced or remodelled (whether or not the change involves any dismantlement) and the cost of the change represents a genuine increase in the value of the property, the work of replacement or remodelling as the case may be should be classed as "Original works" (the cost which should be estimated if not known' of the portion replaced or remodelled being credited to the estimate for "Original work" and debited to "repairs". In all other cases the whole cost of the new work should be charged to "repairs".

NOTE 1.—In the case of buildings the capital value of any portion of a building which is abandoned or dismantled without replacement should be written off the total capital value of the building, in any *pro forma* account of its cost.

NOTE 2.—The cost of restoration of special repairs shall not be added to capital cost or present value unless such restoration of repairs add to accommodation or involve replacement of the existing type of work by a work of a more expensive character.

Illustrations.—The cost of replacement of palmyra rafters by Karimarudu or of bamboo hurdling by teakwood reepers or of lime plastering by cement plastering should not be added to the capital cost of a building. The cost of deepening a well in order to restore the normal water-supply should not be added to the capital cost of a building. But the cost of replacement of country tiles by Mangalore tiles, and of replacing a mud compound wall by a wall of brick in mortar plastered with cement, and replacement of a cement floor by tiles should be dealt with in accordance with clauses (*a*) and (*b*) of paragraph 93 of the Madras Public Works Department Code.

(4) When an existing portion of a road, road bridge, causeway, embankment, ferry approach, protective or training work in connexion with a road is to be replaced or remodelled (whether or not the change involves any dismantlement) and the change represents a genuine increase in the value of the property, the whole cost of replacement or remodelling, as the case may be, should be classed as "new work" and the cost or value of the portion replaced or remodelled should not be debited to "repairs".

Exception.—Petty and miscellaneous items of work in any material, as hereinafter described, which ordinarily should be classed as "new works", may be debited to "repairs" up to Rs. 10,000 in any one case, provided that the works in question do not, in the opinion of the Superintending Engineer, form part of any comprehensive scheme or project covered by a works estimate:—

(*a*) Super-elevation at curves.

(*b*) Widening the formation or carriage way of a road, widening a drain or cutting back a hill-side, to improve vision at curves, provided that the acquisition of land is not involved in any case.

(*c*) Improvement of alignment or gradients or changes of grade at Irish bridges or dips, carried out at the time of renewing a surface, provided that the acquisition of land is not involved in any case.

(*d*) Improvements to or reconstruction of the surface of a road in some different materials where it is desirable to carry out such improvements or reconstruction at the time of renewing a surface.

(*e*) The construction or reconstruction of road surfaces in different materials for the purposes of experiment.

(*f*) The reconstruction or remodelling of bridges, culverts, causeways, embankments, ferry approach, protective or training works in connexion with a road.

NOTE.—Item (*f*) includes "replacements of boats and other apparatus connected with service."

(5) In addition to all repairs and renewals in material similar to that pre-existing, the following items of road work should be classed as "repairs":—

(i) Ordinary repairs and maintenance including surface dressing with pre-coated stone chips surface painting, and the necessary addition of stone chips, gravel or sand, but not including asphaltic concrete, premix asphalt macadam, bitumen grout, bitumen, semi-grout, mix-in-place, cement concrete, or cement macadam subject to the ruling in the exception under rule (4) above.

(ii) Special repairs and periodical renewals.

(iii) Petty and miscellaneous items of work in any materials, as described in "exception" to clause (4) above.

(26-A) When the book value of the portion dismantled is dealt with under Explanatory note (26) (1) and (2) above, the cost of dismantlement should be charged to " Repairs " and the value of the dismantled materials treated as follows :—

(*a*) If the dismantled materials are sold, the proceeds shall be credited against maintenance and repairs of the work during the year.

(*b*) If they are brought on stock, the estimated value shall be credited to maintenance and repairs as under (*a*) and debited to stock.

(*c*) If they are utilized in the construction of a new work on the same building, the estimated value shall be credited to maintenance and repairs as under (*a*) and debited to the new work if it consists of original work ; should the work consist of repairs no charge shall be credited or debited for the materials.

(*d*) If they are re-utilized in the construction of a new work on a different building, the estimated value shall be credited to maintenance and repairs of the building from which the materials have been removed as under (*a*) and debited to the new work, under original, or repairs as the case may be.

(26-B) When the capital value of a building or a portion of a building is written off under Note 1 below Explanatory Note 26 (3) above, the proceeds under (*a*), (*b*), (*c*) and (*d*) of Note (26-A) shall be credited to Revenue.

(26-C) When land with buildings thereon is acquired and the latter have to be dismantled the proceeds under (*a*), (*b*), (*c*) and (*d*) of Note (26-A) shall be credited in a reduction of the capital cost of the land instead of to " Repairs " or " Revenue ".

(26-D) The transactions under these rules—if foreseen—shall be provided for in the estimates.

(27) When a building is intended for two or more departments, all Original Works and Repairs charges on it should be classi ed, unless ordered otherwise by the Local Government, as pertaining to the department for which the largest accommodation is required.

Charges on a residential building should be booked under the minor head for the department for which it is intended even though temporarily allotted to a Government servant of another department. Residences not reserved for any department fall under the minor head for Civil Works. In the case of minor heads which are subdivided, if a separate sub-head is not provided for residences, the charges on residences fall under the sub-head " Miscellaneous".

(28) Divided into—

(A) Heads of Provinces (including Governor-General, Members of Executive Councils and Ministers) which is subdivided into (1) Viceregal Residences, (2) Residences for Heads of Provinces, (3) Residences for Members of the Executive Council, and (4) Residences for Ministers.

(B) Legislative Bodies, subdivided into (1) Council of State, (2) Indian Legislative Assembly, (3) Provincial Legislative Councils, and (4) Residences.

(C) Secretariat and Headquarters establishments. (This includes buildings for Local Fund Audit establishments also.)

(D) Commissioners and District Officers.

(29) Divided into High Court (including Chief Courts and Judicial Commissioners' Courts), Small Cause Courts, District Courts, and Miscellaneous.

(30) Divided into Central Jails, District Jails, Lock-ups and Miscellaneous.

(30-A) Includes the expenditure on works in connexion with the buildings only and not the charges in connexion with lights, etc., which will be debited to the head " 30. Ports and Pilotage."

(31) Divided into Churches, Burial grounds, Bishops' Palaces and Miscellaneous.

(32) Survey of India ; Botanical Survey ; Zoological Survey ; Hydro-electric Survey ; Geological Survey ; Exploration of Coal, Petroleum and Minerals ; Mines Department ; Archæological Department ; Board of Scientific Advice ; Meteorological Department ; Museums. A separate head, further subdivided, if necessary, should be provided for each of these departments.

(33) Divided into University ; Secondary ; Primary ; Special and Miscellaneous.

(34) The divisions are Hospitals and Dispensaries ; Medical Colleges and Schools ; Mental Hospitals ; Miscellaneous.

(35) Divided into Agricultural ; Veterinary ; Miscellaneous.

(36) *Deleted.*

(36-A) Includies the expenditure on works in connexion with the buildings only and not the charges in connexion with machinery and equipment, etc., which will be debited to the head " 48. Mint ".

(37) For buildings of the Public Works Department (Civil Works Section), including residences not reserved for any department. Includes also, as a distinct detailed head " Losses on Stock ", which is meant for all general losses on stock which cannot be definitely attributed to any work, whether building or road, the accounts of which are open.

Charges incurred by the Public Works Department, on conservation, maintenance or annual repair of protected monuments, which have been removed from the operation of the exception specified in clause (a) of entry 6 in Part II of Schedule I and in clause (a) of entry 6 in Schedule II to the Devolution Rules by notifications issued by the Governor-General in Council in the *Gazette of India* and of such protected monuments in the central areas as have been specifically removed from the administrative control of the Archæological Department as also of unprotected ancient monuments are debited to this minor head.

(38) Includes all Civil Departments (other than the Irrigation Branch of the Public Works Department and the Railway and Post and Telegraph Departments) not included in the list of minor and detailed heads under major head " 50 ".

(39) This minor head is meant for charges on roads, bridges, ferries, tunnels, ropeways, causeways, tramways, and other means of communications, together with buildings, wells, encamping grounds, etc., for travellers, and mile stones, fencing, arboriculture, inspection houses and other works connected with communications. It should be suitably subdivided according to local requirements.

(39-A) This head should be used as sparingly as possible, i.e., only where there is *absolutely* no other head which can be appropriately applied, e.g., " 30. Ports and Pilotage ", " 36. Scientific Departments " and " 39. Public Health."

(40) This minor head should be suitably divided so as to record the expenditure on Repairs in the same detail as the charges on Original Works, Buildings, Communications or Miscellaneous, as the case may be. One of the detailed heads may be " Losses on Stock ", if it is considered necessary to have one under " Repairs " in addition to that provided under " Original Works "—vide note (37).

The head " Repairs—Buildings " includes also taxes chargeable to the Public Works Department on both residential and non-residential buildings (vide paragraph 391), charges on account of watchmen for the care of vacant buildings, rents of hired residences and compensation for sittings in charges and rent buildings used for divine service, payable under the Ecclesiastical rules.

(40-A) The term " Famine " is to be interpreted in wider sense to cover famine due to drought or other natural causes, such as flood, earthquake, or similar calamity. In case of doubt whether the expenditure on any particular form of distress can properly be regarded as famine expenditure, a reference should be made to the Auditor-General for advice. *See* also footnote (192) of Appendix 7 to the Audit Code.

(41) Public Works officers are concerned only with the two minor heads mentioned here.

(42) The following detailed heads should be opened :—

1. Pay and Allowances, Special Relief Officers.
2. Establishments—
   (a) Clerks and other superior establishments.
   (b) Inferior establishments.
3. Travelling allowances.
4. Contingencies.

As regards Government servants the following rules should be observed subject to the provisions of articles 180 and 82, M.F. and A.C., Volume I :—

(a) In the case of a Government servant already in the service of Government (other than a Government servant in military employ proper) his pay and allowances together with the contingent expenditure, shall be charged to the ordinary service head when he is merely an addition to an existing establishment which requires strengthening owing to famine work, but when he is detached altogether from its own regular duties and is employed mainly on famine relief, and his place in the permanent establishment is filled up by fresh appointment, his pay and allowances together with his contingent expenditure shall be charged to the head " 54. A. Famine Relief ".

(b) The pay and allowances of an establishment specially entertained for, and mainly employed on famine relief, shall, together with its contingent expenditure, be debited to the head " 54. A. Famine Relief."

(c) In all cases falling under clauses (a) and (b), travelling allowances to and from the work and also while engaged on the work, as well as pay and allowances during transit, shall be debited to the head to which the pay of the official while actually employed on the works is debited.

(d) The rules regulating the debit of the pay and allowances of Government servants in military employ proper deputed to famine duty are given in paragraph 4 (i) of Statement D of this Appendix.

(43) Divided into Communications ; Irrigation Works ; Other works.

(44) The following rules regulate the classification of expenditure of Public Works undertaken for purposes of famine relief :—

(a) Public Works undertaken in consequence of the occurrence of famine, but not directly or the employment of famine-stricken people and not therefore treated as relief works, will be classified in the accounts as ordinary Public Works are classified, except that any expenditure

in excess of normal rates incurred in consequence of the employment for relief purposes of unskilled and unprofitable labour will be transferred to the head "50. A. Famine Relief."

NOTE.—The expenditure on the store houses constructed for housing a reserve of famine tools in connexion with famine relief works is chargeable to "54. Civil Works" and not to "54. A. Famine Relief."

(b) Public Works expenditure which is undertaken directly for the relief of famine and is controlled and managed under the conditions applicable to famine relief works will be charged to "54. A. Famine Relief," whether the work is or is not one which would, at some time or other have to be undertaken irrespective of famine. If, however, the work on which the famine labour is employed is a revenue-producing work in respect of which a capital account is kept (whether within or without the Revenue Accounts of the Government), the value of the work done, reckoned at ordinary rates, will be charged to the ordinary head of account, and the excess only debited to "54. A. Famine Relief."

After a famine relief work has been closed no expenditure in connexion with such work shall be debited to "54. A. Famine Relief" except such outstandings as may be due on the date of the closure of the work. The Executive Engineer concerned shall obtain a special allotment for the further execution of the work, if it is considered desirable that it should be carried to completion as an ordinary work.

(45) Special Provident Funds instituted for non-pensionable employees.

(46) * * * * *

(47) * * * * *

(48) For use in respect of transactions with those Indian States only with which the Accountant-General has dealings. This head should not be operated upon without special authority.

Ordinarily, in the case of payments due to an Indian State, instead of direct cash payments being made by disbursing officers of Governments, the Audit Officer whose duty it is to audit and pass such payments should, unless other special arrangements have been made, request the Accountant-General of the Government with which the State is in political relation, to make the payment (or give the credit) and debit it to him.

(49) Cash balances of the Public Works Department fall under this head in the general accounts.

(50) * * * * *

(51) In use only in Governor's provinces.

(52) For transactions of Public Works Officers with Treasury and other officers of the Civil Department including the Forest Department within the jurisdiction of the local Accountant-General.

(53) If a Public Works Officer deals with treasuries in account with another Audit Officer the transactions on account of remittance into treasuries and cheques drawn are classified as pertaining to the Exchange account concerned.

(54) This head is subdivided into (a) items adjustable by Civil and (b) items adjustable by Public Works.

(55) In the Public Works accounts, it will suffice to name the Government concerned, e.g., "Accounts between Civil and Civil, Burma."

This head is intended primarily for transactions with offices and departments, including the Public Works Department, within the audit jurisdiction of another Civil Accountant-General. *See* also notes (48), (53) and (58).

(56) For transactions between Public Works Officers (including Civil Officers acting as Public Works Disbursers) rendering accounts to the same Accountant-General.

(57) This head is intended for transactions with the Military Department (including the Military Engineer Services). In the case of transactions with officers of the Military Engineer Services, the name of the Military Engineer Services districts should be specified in addition to that of the Military Account office concerned. At present, there are altogether nine Military Accounts Offices, as detailed below :—

(1) Northern Command, Rawalpindi, (2) Military Accounts and Pensions, Lahore, (3) Western Command, Quetta, (4) Southern Command, Poona, (5) Eastern Command, Meerut, (6) Burma, (7) Royal Air Force Accounts, (8) Army Factory Accounts, and (9) Marine Accounts.

Receipt and expenditure pertaining to Military Engineer Services or Royal Air Force Works, executed in the Public Works Department as a standing arrangement, should be brought to account as a separate item in the schedule of credits and debits to remittances under the head "Account Current between Civil and Military—Sub-Audit Officer, M.E.S. or Sub-Audit Officer, R.A.F." as the case may be.

(58) This head is used only in respect of transactions with such Railways as exchange accounts with the local Accountant-General. Transactions with other Railways should be adjusted under the head "Accounts between Civil and Civil," through the Accountant-General with whom they are in account.

(59) The minor heads which are prescribed under the head "50. Civil Works", with the exception of "Repairs" and "Grants-in-aid" should be opened under this head. Expenditure on account of restoration of damages caused by extraordinary casualties, such as flood, fire, etc., which is permitted to be charged to this major head should be recorded under a separate minor head "Extraordinary Replacements."

STATEMENT A.

Main Classification of Expenditure pertaining to Irrigation, Navigation, Embankment and Drainage Projects.

NOTE.—All works of Irrigation, Navigation, Embankment, Drainage and Water Storage are primarily grouped into two classes, Water Storage works being included in Irrigation works :—

A. Irrigation works.
B. Navigation, Embankment and Drainage works.

1. Projects of Irrigation, Navigation, Embankment and Drainage are of two classes :—(1) Productive and (2) Unproductive.

2. To admit of a new work being classed as a Productive Public Work, the following conditions must be satisfied :—

(a) There must be good reason to believe that the revenue derived from it will, within ten years after the probable date of its completion, repay the annual interest on the capital invested calculated at 4 per cent, but in preparing a project for sanction no deduction is to be made from the total capital outlay on account of anticipated excess of revenue over simple interest.

NOTE.—Capital invested includes (1) direct charges, (2) indirect charges, and (3) all arrears of simple interest, if any, i.e., balance of total interest over total net revenue.

(b) It must be susceptible of having clear Capital and Revenue accounts of it kept.

(c) Its classification as a Productive Public Work must be authorized by competent authority.

3. The rules for determining (1) whether a work which has been classed as productive shall continue to be so classed, and (2) whether an unproductive work may be reclassed as productive are as follows, the percentage rates referred to being those prescribed for the time being and being subject to alteration at the discretion of the Governor-General in Council :—

I. Every irrigation, navigation, embankment or drainage work for which capital accounts are kept should, until ten years after the date of the closure of its construction estimate be classed as productive if the net revenue anticipated from it appears likely to repay, on the expiry of that period, the annual interest charges on the capital invested (including direct and indirect charges and arrears of simple interest), calculated at 4½ per cent in the case of works sanctioned before 1st April 1937, at 4 per cent in the case of those sanctioned between 1st April 1937 and 1st April 1941, at 5 per cent in the case of those sanctioned between 1st April 1941 and 1st April 1946 and at 4 per cent in the case of those sanctioned on or after 1st April 1946. Conversely, if it is not expected to yield the relevant return, it should be classed as unproductive. If moreover, at any time during the period of construction, or within ten years of the date of the closure of its construction estimate, it becomes apparent that a work originally classed as productive will not actually be remunerative according to the criterion prescribed above, it should be transferred from the productive to the unproductive class, and similarly if it becomes obvious during the same period, that a work sanctioned as unproductive will actually prove remunerative the transfer of the work from the unproductive to the productive class may be effected.

II. Every work classified in accordance with Rule 1 above will retain its classification unchanged during the eleventh, twelfth and thirteenth years after the closure of its construction estimate.

III. If any irrigation, navigation, embankment or drainage work for which a capital account is kept and which is classed as productive fails, at any time after the expiry of ten years from the date of the closure of its construction estimate, in three successive years to yield the relevant return prescribed in Rule 1 above, it should be transferred to the unproductive class. A work classed as unproductive which succeeds in yielding in three successive years, the relevant return prescribed for a productive work may, on the same principle, be transferred to the productive class.

IV. If an existing irrigation, navigation, embankment or drainage work be extended or improved, the criterion of productivity prescribed in Rules I to III above shall be applied to the whole system, including such extension or improvement, as if the extension or improvement had been executed simultaneously with the original work, and the date of sanction referred to in those rules for the purpose of determining the percentage to be returned by the system as a whole, shall be that of the accord of sanction to the original project. As an exception to this rule, if any extension be, owing either to its nature or magnitude, such as may reasonably be considered to be a separate project and if it be susceptible of having clear capital and revenue accounts kept of it, as distinct from those of the project as a whole, it should be treated as a separate project and in that case the conditions relating to original projects and not those relating to extensions and improvements shall be applicable. In all such cases separate capital and revenue accounts should be maintained for the extension in order to enable the productivity test to be periodically applied.

V. Rules I, III and IV are, however, subject to the proviso that the local Governmen may postpone the transfer of a work from one class to the other in cases in which it is satisfied that its success or failure is due to purely transient causes.

4. For the purposes of determining the productivity of an old work which has been developed by the British Government, only the capital expenditure expended by that Government should be recorded as the capital at charge on which interest is chargeable.

5. The transfer of a work from the productive to the unproductive category, or *vice versa*, will affect the recording of all future transactions in connexion with it. No adjustment will be made in the general accounts in respect of past transactions, but the necessary transfers will be effected by the Accountant-General in the *pro forma* accounts of the work in question; but see the local Government (Borrowing) Rules framed under the Government of India Act and Rule 11 (*a*) of the Auditor-General's Rules (Appendix I).

6. The principles to be observed in deciding whether an item of expenditure should be charged to Capital or to Revenue are as follows :—

(*a*) Capital bears all charges for the first construction and equipment of a project, as well as charges for maintenance on sections not opened for working and charges for such subsequent additions and improvements as may be sanctioned under rules by competent authority.

(*b*) Revenue bears all charges for maintenance and working expenses, which embrace all expenditure for the working and upkeep of the project, as also for such replacements and minor additions or improvements as it may be considered desirable to charge to Revenue instead of increasing the capital cost of the undertaking.

(*c*) In the case of renewals and replacements of existing works, if the cost really represents an increase in the capital value of the system and exceeds the cost of the original work by Rs. 1,000, the cost of the new work should be divided between Capital and Revenue, the portion debited to the latter account being the cost of the original work, which should be estimated if the actual cost is not known, and the balance charged to Capital. In other cases, the whole cost of the new work should be charged to revenue. Thus, a renewal which does not represent a substantial improvement of the original work, but which is in all material essentials the same as the latter, although it may exceed the cost of that work by more than Rs. 1,000, should not be charged to Capital but to the Revenue account.

(*d*) When the construction estimate of a project for which a separate Capital account is kept, is closed, the expenditure on works of extensions will be charged thus :—

(i) Estimates exceeding Rs. 1,000, for (1) works which are in themselves directly remunerative such as new distributaries, mills or works for increasing the canal discharge, and (2) works which are necessary for the full development of a project, but which are not in themselves directly remunerative, shall be charged, to the Capital account.

(ii) Estimates amounting to Rs. 1,000 or under shall be charged to the Revenue account.

(iii) All estimates for works which are neither remunerative in themselves nor considered necessary for the development of the project, shall be charged to the Revenue account.

(*e*) Where outlay is of a nature which under these rules does not appertain to Capital it is not, under any circumstances and whatever its magnitude, to be charged to Capital.

NOTE.—The limit of Rs. 1,000 prescribed in the rule may be modified by Government.

7. Works expenditure which, under the foregoing rule, is chargeable to the Capital account, will be classified under the minor head " Works " of the major head " 68 ". That which is chargeable the Revenue account will fall under the minor head " Extensions and Improvements " or " Maintenance and Repairs " of the division " Working Expenses " of the major head " XVII." according as the expenditure pertains to the category of " Original Works " or " Repairs ", vide note (26).

8. The expenditure on productive works is recorded in two sections separately for capital and revenue charges. For unproductive works also, the arrangement is similar where it is desirable and possible to maintain accounts on a quasi-commercial basis. When, however, a work of this class is too small to make it worth while to maintain a separate account of it on such a basis, all expenditure on it is treated as a revenue charge, the work being classified as one for which neither Capital nor Revenue accounts are kept. In the category of unproductive works is also included " Miscellaneous expenditure ", which is expenditure upon the preliminary survey of new projects and also for the cost of famine surveys required for the preparation of famine programmes.

STATEMENT B.

Detailed Classification of Works Expenditure pertaining to Irrigation, Navigation, Embankment and Drainage Works.

Works expenditure of Irrigation, Navigation, Embankment and Drainage major heads other than 17, 18 (1) and 19, falls under one or other of the minor heads " Works," " Extensions and Improvements," and " Maintenance and Repairs." Each of these minor heads is divided into (1) Head Works, (2) Main Canal and Branches, (3) Distributaries, (4) Drainage and Productive Works, (5) Water-courses (for " Works " only), (6) Special Tools and Plant (for " Works " only), and (7) Losses on stock. Under the minor head " Maintenance and Repairs " and eighth head " Compensation," should be opened. The detailed heads subordinate to these heads are enumerated in Statement C.

2. In the case of heads (2) and (3), a separate account may be opened for the main canal and for each important branch and distributary. In the case of projects sanctioned after June 1929, the works expenditure relating to main canal and branches will be divided into (1) main line of a canal, and (2) each of its branches separately; that relating to distributaries will also be grouped for the distributaries belonging to the main line of the canal and to each of its branches separately.

3. The following points should receive special attention:—(*a*) When land is taken up for two or more of these subdivisions at the same time, its cost must be divided into the best way practicable, (*b*) In the case of Storage Projects all works connected with supply channels to feed the head reservoir come under Head Works, (*c*) Water-power installations at the head works of a canal, head locks and head-regulators of main and branch canals, fall under "Main Canal and Branches," (*d*) When a canal or a distribution channel therefrom, and a drainage in connexion with it, are planned simultaneously and the two works intersect, the cost of the crossing should be charged to "Drainage and Protective Works" and (*e*) Buildings required for the General purposes of a canal system, such as workshops, headquarters station, etc., are chargeable to "Main Canal and Branches."

4. For rule relating to Special Tools and Plant and Losses on Stock see paragraphs 180 and 214, respectively. The head "Water-courses" is not necessary in the case of the minor heads "Extensions and Improvements" and "Maintenance and Repairs." The head "Losses on Stock" is intended for all general losses on stock which cannot be attributed to any work the accounts of which are open.

STATEMENT C.

Enumerating the detailed heads referred to in paragraph 1 of Statement B and detailing the works and services the charges whereon are classified thereunder.

General remarks.—(1) The detailed heads in this list may be varied, under the orders of the local Government, to suit the circumstances of each project. (2) Combined works falling under two or more heads—e.g., combined bridges and falls, or combined falls and regulators—should be classified according as which aspect of the work predominates.

A.—PRELIMINARY EXPENSES.

Surveys and preliminary investigations. This head does not appear under "Extensions and Improvements" nor under "Maintenance and Repairs."

B.—LAND.

Compensation for taking permanent or temporary possession of land required for the purposes of the work.

The term "Compensation" includes the following besides the payment for the land itself:—(1) payments for buildings, trees, crops, etc., and (2) cost of special land acquisition establishment when it is chargeable to the Public Works Department under article 235, Madras Financial and Account Code, Volume I. Sale-proceeds of wood, building materials, etc., obtained on clearing land taken up should be taken in reduction of the charge if realized before the accounts of the estimate for the acquisition of the land have been closed—vide paragraph 4 of Statement E. If any buildings acquired with the land are used as residences or otherwise let they should be brought on the Register of Rents, Form 49 [P.W.D. VI-49 (*a*)] and rents realized should be treated as ordinary rent receipts.

C.—WORKS.

All construction works, whether of earthwork or of masonry, etc., excluding work falling under the heads I.—Navigation and K.—Buildings in all cases and under L.—Earthwork where this is maintained as a separate detailed head. Ordinarily, the grouped head C.—Works takes the place of such of the heads D. E F. F-1, G. H. J and L, as are not separately provided for.

D.—REGULATORS.

Works (other than escapes and escape heads) for the regulation of supply.

E.—FALLS.

Falls and rapids other than those required to maintain the depth of water for navigation purposes.

F.—RIVER AND HILL TORRENT WORKS.

Aqueducts, superpassages, culverts, siphons, inlets, and outlets and cross drainage work generally, when such works are in connexion with river and hill torrents.

F (1).—Other Cross Drainage Works.

Cross drainage works of the classes referred to under the head "F.—River and Hill Torrent Works," when such works are in connexion with drainage other than that from river and hill torrents.

G.—Bridges.

Bridges, both road and railway, for crossing the canal, including subsidiary works, e.g., approach roads, fencing gates, *ghats*, steps, etc.

H.—Escapes.

Masonry and earthwork connected with escapes (including escape heads).

I.—Navigation.

Locks at head works and on the canal; separate navigation channels and weirs designed for maintaining the requisite depth of water for navigation purposes.

J.—Mills.

Water-power plant (if a permanent fixture) and buildings in connexion with such plant, also sluices and channels conducting water to and from the same.

K.—Buildings.

Permanent and temporary buildings (including staff quarters, offices, workshops, stations, etc., but excluding buildings for water-power) and station drainages, roads, gardens enclosure walls, conservancy works, etc., pertaining to buildings individually or collectively. In the case of maintenance and repairs, this head includes also taxes payable by Government and rents of buildings hired by Government.

L.—Earthwork.

Excavation and embankments for the channel, protective works for the bed and sides; trimming, turfing or rivetting slopes; retaining walls for embankments.

L (1).—Boundary and Service Roads.

(Subordinate to the detailed head "L.—Earthwork"—
Roads and Communications.)

This head may be opened to record the expenditure on side roads and service roads separately if it is not proposed to classify it under "L.—Earthwork."

M.—Plantations.

All regular plantations, including the cost of clearing land, transplanting soil and planting trees, gardening charges in connexion with buildings do not fall under this head.

N.—Tanks and Reservoirs.

Earthwork, masonry, etc., on tanks and reservoirs (e.g., . tail tanks) in connexion with canals other than tanks chargeable to "Head Works" in the case of storage projects.

O.—Miscellaneous.

Works and services not falling under any other detailed head includes (1) experiments; (2) works in connexion with irrigation outlets not debitable to the head "Watercourses"; (3) distance marks; (4) boundary pillars. Also minor works constructed on the banks of canals or distributaries for the direct delivery of water. Includes also in the case of original works and of extensions and improvements, charges for compensation not debitable to any other detailed head.

P.—Maintenance.

All repairs work prior to the opening of the revenue account for the project or the section concerned. This head appears only under "Works."

STATEMENT D.

Showing the Detailed Classification of the minor head "Establishment".

This minor head is primarily divided as follows :—

Name of subdivision.	Remarks.
I.—Chief Engineer	....
II.—Special officers	For Consulting Architects and other special officers whose jurisdiction extends beyond a single circle of superintendence, or other unit prescribed for the *pro rata* distribution of establishment charges. Fees recovered from outside bodies and other departments of the same Government for services rendered by this establishment are taken in reduction of the charges under this subdivision—vide paragraph 12 of Appendix 7.
III.—Superintending Engineer ..	Includes also special officers, if any, not falling under subdivision II.
IV.—Executive	Establishment charges of workshops for which capital accounts are kept should be kept distinct from other charges, and recoveries on account of work done in such workshops for ouside bodies and other departments of the same Government should be taken in reduction of the charges.
V.—Medical..	....
VI.—Special Surveys	Establishment employed on large surveys for new irrigation, navigation, embankment or drainage projects.
VII.—Special Revenue	Establishment employed entirely on the revenue management of irrigation, navigation, embankment and drainage projects, and on assessment, etc., of revenue Includes also Plantation, Steamer, and Water Regulation establishments, etc., and charges debited by the Civil Department for collection, etc., of revenue.
VIII.—*Deduct*.—Recoveries ..	For credits of all kinds on account of (i) percentage or (ii) lump-sum recoveries for work done, but excluding (*a*) fees for services rendered by special officers and (*b*) recoveries for work done in workshops when such credits are adjustable as reduction of expenditure in accordance with the rules in statement E.
IX.—Lump-sum charges creditable to other Governments, departments, etc.	Debits to the major head on account of establishment charges, in cases in which such charges are not adjustable in the account of any particular work under paragraph 285.
X.—Establishment charges incurred in England.	This subdivision relates only to the major heads "18-A (2)," "18-B (2)" and "50." All charges pertaining to Irrigation, Navigation, Embankment and Drainage Works are incorporated under the major heads "18-A (2) or 18-B (2)," as the case may be.
XI.—Pensionary charges ..	This subdivision relates only to the major heads "XVII," "18," and "68." The pensionary charges will be adjusted at such percentage as may be fixed by the Government from time to time on the establishment charges distributed over the above major heads by credit to the head "55. Superannuation allowance and pensions." In the case of large projects for which special establishments are employed and charged to the projects, the rate of pensionary charges should be calculated at such percentage as may be fixed by the Government from time to time on the total salary and leave allowances of the pensionable establishment employed on the project and adjusted as above.

2. Under subdivisions III to VIII, a separate section should be opened in respect of each circle of superintendence or other unit prescribed for the *pro rata* distribution of establishment charges.

3. The subdivisions I to VII have, below them, the following heads, which such detailed head as may be prescribed locally :—

(a) Pay of Officers.
(b) Pay of Establishments.
(c) Allowances.
(d) Contingencies.
(e) Supplies and Services.
(f) Collection charges by Civil Department. For use only under subdivision VII.
(g) *Deduct*—Recoveries. For use only under subdivisions II and IV (Workshop section).

An additional head, "Bonus," may be opened, where necessary, for bonus paid to non-pensionable subscribers to provident funds.

The heads (b) and (c) include also the charges on account of divisional accountants posted by the Accountant-General.

4. The rnlevant portions of the rules governing the incidence of cost of pay and allowances of Governmt servants laid down in Articles 182 to 189 of the Audit Code, Volume I, are reproduced below —

Incidence of pay and allowances.

182. The following rules govern the incidence of cost of pay and allowances of Government servants. They are, however, subject to the orders in Article 183 regarding the distribution of leave salary between different Governments and to the rules in Articles 110 and 33-A and in Appendix 6 of the Civil Account Code, Volume I, regarding inter-departmental transfers and adjustments between Governments.

(a) The whole pay of an officiating Government servant should be taken against the department and the post in which he is actually serving.

1. This rule need not be rigidly applied for purposes of account and audit in the case of ministerial Government servants acting in other posts in the same office establishment.

(b) When a Government servant whose main duties and post fall under one head of charge is entrusted with additional or subsidiary duties coming under another head, no portion of his pay and allowances is to be debited to the latter head. This rule does not apply to separate fixed allowances for additional duties, nor does it apply to cases governed by separate orders issued by competent authority.

NOTE.—Under rule 20 of the Auditor-General's Rules (Appendix 1 to this Code), the final authority to decide a question involving the classification of a charge is the Auditor-General. If, therefore, an Audit Officer should raise a doubt as to the propriety of an order issued by a local Government directing the splitting up of a charge between two or more heads, the question should be referred to the Auditor-General whose decision shall be final.

(c) The pay and allowances of a Government servant proceeding to join an office should, in the absence of special orders to the contrary, whether in respect of a particular case or class of cases, be charged to the office to which he is proceeding.

NOTE.—Under a mutual arrangement between the Central Government and the various Provincial Governments, the transit pay and allowances, while he is joining and leaving the new service of a Government servant whose services are lent by one Government to another are charged to the borrowing Government. This principle applies even in cases where the Government servant lent takes leave either before joining the borrowing Government or before rejoining the lending Government. This arrangement, however, does not apply to officers in a joint cadre, such as the Bengal Judicial Cadre which includes a number of posts in Assam. In such cases, the rule in clause (c) above and in Article 186 should be followed.

(d) In the case of officers of the Indian Medical Service in civil employ proceeding to England on duty to attend the Senior Course at the Royal Army Medical College at Millbank, the cost of the passages provided for them from and to India, of the pay drawn by them during their absence from civil post and of the travelling allowance paid to them for journeys performed in India when leaving and returning to the country, will be charged to Defence Services Estimates. If however, under the rules relating to the grant of study leave to officers of the Indian Medical Service, an officer takes study leave immediately after the completion of the Senior Course at Millbank and iin continuation of it, the cost of his leave salary while on study leave will be a charge on the Clevil Estimates, Central or Provincial, as the case may be, under the rule in clause (e) of this Article, but the cost of passage to India undertaken after the completion of the study leave, as well as that of free conveyance in India from the port of disembarkation to the place of duty, will be a charge on the Defence Services Estimates.

(e) The cost of the allowances paid to a Government servant during study leave should be debited to the Government under which he is employed when the study leave is granted.

(f) The pay and allowances of a Military Officer transferred from Military to Civil duty are paid by the Civil Deparment from the date on which he gives over charge of his Military duty, and those of a Military Officer. transferred from Civil to Military duty, cease to be payable by the Civil Department from the date on which he gives over charge of his Civil duty. The same rule holds good in the case of all Government servants transferred from one department to another. A Government servant transferred to foreign service draws his emoluments from the foreign employer from the date on which he relinquishes charge of his post under Governmnet and, on reversion to Government service, he ceases to draw any emoluments from the foreign employer from the date on which he resumes charge of the post under Government.

NOTE.—Transit pay allowances both ways of officers of the Military Department lent to Civil (Central or Provincial) Departmeuts are payable by the Civil Department concerned.

(g) When a Military or Medical Officer holding a Civil post on consolidated pay which is less than his Military pay is allowed to draw the difference between them, he draws it from the department from which he receives his consolidated pay.

(h) The following rules govern the incidence of the cost of the Military pay and allowances of soldiers employed for temporary duty by Civil Departments, police or railway administrations, etc., under the provisions of paragraph 392, Regulations for the Army in India :—

(1) When men are employed for any period less than one month, they shall be given their regimental pay and allowances from Defence Services Estimates *plus* a suitable extra allowance, if such is considered necessary, from Civil Estimates ; and

(2) When men are employed for a month or longer, a consolidated pay shall be substituted for their regimental pay and allowances, the whole of the consolidated pay being borne by Civil Estimates.

(i) Rewards under Military rules to Military officers in Civil employ for proficiency in the Oriental languages have to be met from Defence Services Estimates. Bills for such rewards require pre-audit by the Military Department.

(j) When Military commissioned, non-commissioned and warrant officers and soldiers are employed on famine duty in the Civil Department, their Military or Departmental pay and allowances, as well as additional pay and allowances, including travelling allowances both when proceeding to and returning from famine duty, should be adjusted as a civil charge under "54-A. Famine Relief."

(k) When soldiers, either British or Indian, are sent under Military escort from one station to another to stand a trial on a criminal charge, they will travel like any other part of soldiers on duty, under a warrant furnished by the Military authorities, the charge being met from the Defence Services Estimates. When a soldier is conducted by a Police escort, the charge will be civil : the warrant issued in such cases should include the accused as he is a soldier proceeding to a certain place under the orders of his Military superior and therefore on duty.

(l) When troops are employed to maintain essential services during strikes, the extra remuneration which may be paid in addition to the ordinary pay and allowances is chargeable to the department or the Local Government applying for the troops. The expenses incurred in repairing clothing or in making good any articles damaged in the performance of these duties are chargeable to the same authority if the Government of India order such recoveries.

NOTE.—The charges referred to above are disbursed by the Controllers of Military Accounts concerned and recovered from the party concerned by book transfer.

(m) Civilian Government servants, who belong to the Army in India Reserve of Officers when called up for training, receive the following emoluments :—

(i) When proceeding to carry out their training direct from their civil appointments, the pay and allowances which they would have drawn in their civil appointments but for the training, for the whole period of absence on such training inclusive of the time spent in transit to and fro :

(ii) When proceeding to carry out their training while on leave in India, Burma, Ceylon, Great Britain, or Northern Ireland, the civil leave, pay and allowances which they would have drawn but for the training :

(iii) When proceeding to carry out their training on the expiry of leave out of India taken from their civil appointments but before rejoining their civil appointments for duty, joining time civil pay from the date of disembarkation in India to the date preceding that on which their training commenced and full civil pay for the period of actual training and the period spent in journeying to the place of their civil appointments : and

(iv) Military pay and allowances for the period of actual training.

The emoluments drawn under (i) to (iii) are debitable to the civil and that under (iv) to the Defence Services Estimates.

If it is necessary to provide a substitute in the place of such an officer undergoing training the additional cost will be a charge on Civil Estimates.

(n) Reservists of the Indian Army in Civil Government employ will, when called up for Periodical Military Training, receive military pay and allowances. They will also receive the excess, if any, of their civil pay over their military pay. Provided that this concession is specifically sanctioned by the Department of the Government of India or the head of the attached or subordinate office concerned, or by the local Government in whose employ the reservists are serving in their civil capacity. Except where the civil pay of the reservists is met from the Defence Services Estimates, the extra expenditure involved will not constitute a charge against the Defence Services Estimates.

(o) The pay and allowances of a British Service Officer, whose unit is not represented on the Indian establishment and who is supernumerary on vacating an appointment on the personal staff of a Governor of a Presidency or a Province or any other staff or extra regimental appointment under a Provincial Government, should be charged to the Revenues of the provincial Government concerned up to the date of the officer's absorption into the establishment of his regiment. This decision will be applied in the case of officers whose services are lent to a Local Government on, or after, the 1st January 1934.

183. The leave-salaries of Government servants are debited according to the following rules which have been approved by the Secretary of State :—

(1) When a Government servant had served only under one Government before proceeding on leave his leave-salary will be debited to that Government.

(2) When a Government servant is transferred to service under a Government other than that under which he was first employed, the leave-salary drawn by him during any leave taken after the date of transfer shall be charged to the borrowing Government until the entire leave earned under that Government has been exhausted.

NOTE 1.—See Article 33-A (1), Civil Account Code, Volume I. for the definition of the term "Government" used in this article.

NOTE 1-A.—The principles governing the distribution of leave charges between different Governments are also applicable *mutatis mutandis* to the apportionment of leave charge between Central, Civil and Military and between non-commercial and commercial departments within the same Government.

NOTE 2.—For adjustment of leave salaries pertaining to the Military Department see Article 130-B of the Account Code.

NOTE 3.—Leave-salaries of Gazetted Government servants paid by one Provincial Government on behalf of another Provincial Government should be debited to the latter Government in Account Current.

NOTE 4.—No share of the leave-salary of a Civilian Government servant belonging to the Army in India Reserve of Officers for the period he is called out for Military Training will be debitable to the Defence Services Estimates.

1. The Government which received the contribution for leave-salary of a Government servant in Foreign service should bear the charges for his leave-salary in respect of the leave earned by him during such service.

2. Service rendered in a department charged to a devided head before 1st April 1921 should be treated as service under the Central or the Provincial Government according to the head in question is classified as Central or Provincial from 1st April 1921.

3. The principles governing the distribution of leave-salary between different Governments and departments, as described in this article, are not applicable to a house-rent allowance or other compensatory allowance drawn during leave. Such an allowance is not earned by service but is granted to meet personal expenditure necessitated by the special circumstances in which duty is performed and is therefore a liability of the department or Government to which the Government servant is for the time being attached and should be borne by that department or Government.

4. In the case of an officer, a part of whose service, before the 1st April 1912, was rendered in the late province of Eastern Bengal and Assam, the particular district or districts in which he served will be taken into account, and his service in that province will, for the purposes of this article, be taken as having been rendered in the province in which the said district or districts are now included. This rule is subject to the provision of Article 33-A (3) of the Civil Account Code, Volume I, under which Local Governments may, by mutual agreement, waive the recovery of claims.

Incidence of Travelling Allowances.

184. Except in the following cases, the travelling allowance of an individual, on whatever duty he may be employed, is charged to the same head as his pay—

(*a*) * * * * *

(*b*) The travelling allowance of a person paid from a Local Fund may, when travelling in the execution of Government duty, be paid and charged to the General Revenues. Similarly the travelling allowance of a Government servant paid from the General Revenues, when travelling on duty connected with a Local Fund, may be charged to the Local Fund.

(*c*) *to* (*f*) * * * * *

(*g*) A European non-commissioned officer or soldier on obtaining civil employment is ordinarily required to buy his discharge from the Army ; but, if such a person dies in civil employ while under a military contract of service, the Civil Department in which he was serving will bear the charge of any passage money which under Military pay regulations, may be admissible to his family.

(*h*) *to* (*j*) * * * * *

1. This article applies to the travelling allowance of a Medical Officer for a journey to attend on a Government servant entitled to such attendance.

2. * * * * *

185. The travelling allowance of a Government servant transferred from one department to another is debited to the department to which he is transferred.

186. The travelling allowance of a Government servant proceeding to join an office should, in the absence of special orders to the contrary, whether in respect of a particular case or class of cases, be charged to the office to which he is proceeding.

NOTE.—The travelling allowance, on the journeys to join and to leave the new service, of a Govrnment servant, whose services are lent by one Government to another is charged to the borrowing Government. This principle applies even in cases where the Government servant lent takes leave either before joining the borrowing Government or before rejoining the lending Government.

187. The travelling allowance of a Government servant called away from his duty to give evidence in his official capacity in a Criminal Court or in a Civil Court in a case to which Government is a party, is, during the period of his absence, debited to the department which would bear the charge if he were on duty. In the following cases, however, the actual expenses admissible under the rules of the Court are paid by the Court and charged to Court contingencies :—

(*a*) When the Government servant is summoned by a Court which being situated within a certain distance from his headquarters renders him ineligible for travelling allowance under the ordinary rules of his province.

(*b*) When, under the travelling allowance rules of his Provincial Government, the Government servant concerned is specifically precluded from drawing for such a journey any travelling allowance other than that admissible under the rules of the Court [e.g., (1) Patwaris, Jamadars, Village Chaukidars and Government servants of the fourth class in the United Provinces ; and (2) Revenue or Police Patels and village watchmen in Bombay].

188. The travelling allowances of a Government servant, both when proceeding on transfer to foreign service and when reverting to duty under Government, shall be borne by the foreign employer.

NOTE.—The above principle applies even in the cases where the Government servant takes leave on reversion before joining duty under Government.

189. The rules in Articles 184 to 188 regarding the incidence of charge of travelling allowances are subject to the rules in Articles 110 and 33-A and in Appendix 6 of the Civil Accoun Code, Volume I, regarding inter-departmental transfers and adjustments between Governments

STATEMENT E.

Treatment of Recoveries of Expenditure in the Accounts of the Public Works Department.

1. The rules for regulating the exhibition of recoveries of expenditure in Government accounts generally, issued by the Auditor-General under rule 20 of the Auditor-General's Rules, are given in Appendix 10-A to the Audit Code. The following paragraphs indicate their application to Public Works transactions.

2. The general rule is that, subject to the provisions of rule 5 of the abovementioned rules, all recoveries of expenditure appearing in the accounts of Public Works offices should be treated as Revenue receipts and not *as minus* expenditure.

Recoveries in respect of overpayments made during the current year, however, should ordinarily be adjusted by deduction from the current year's charge under the detailed head previously overcharged.

3. As an exception to the general rule mentioned in paragraph 2 above, receipts and recoveries on Capital account, in so far as they represent recoveries of expenditure previously debited to a capital major head, should be taken in reduction of expenditure under the major head concerned. For purposes of accounting, they should be treated as revenue receipts in the first instance and booked as " Receipts and recoveries on Capital Accounts." At the end of the month, they should be deducted from the account of the division or sub-division of the major head concerned in a lump sum.

4. The transactions of stock and other suspense accounts and recoveries of expenditure upon works in progress are also exceptions to the general rule. Expenditure on stock and other-suspense accounts is sanctioned on the direct understanding that the outlay will be recovered and the temporary debit to suspense ultimately extinguished. Recoveries must, therfore, be taken in direct reduction of the charges as explained in the detailed rules in Chapter XII. As regards works in progress, the technical estimates take cognzance of all anticipated recoveries of expenditure from the sale of temporary works, materials received from old structures, etc., and as the amounts both of these estimates and of the funds allotted represent the anticipated net outlay, all such recoveries must be treated as *minus* expenditure. See also paragraph 547.

5. Recoveries on account of establishment and tools and plant charges should be treated as follows :—

(i) *Recoveries of establishment charges at percentage rates.*—These recoveries, in so far as they are effected from outside bodies and from other departments of the same Government, should be adjusted by deduction from expenditure under the minor head " Establishment." Recoveries on account of occasional works carried out by one Government on behalf of another; however, should be treated as revenue receipts unless the recoveries relate to expenditure previously debited to a capital head in which case the credits should be adjusted in reduction of expenditure of the capital major head concerned.

(ii) *Recoveries of tools and plant charges at percentage rates* —Recoveries from other departments of the same Government should be adjusted as reduction of expenditure under the minor head " Tools and plant." In the same way, recoveries relating to expenditure previously debited to a capital head of account should also be treated as reduction of expenditure. All other recoveries should be treated as revenue receipts under the major head concerned.

(iii) Pro rata *shares of the charges for joint establishment and tools and plant.*—The pro rata shares calculated at the end of the year should be treated as reduction of expenditure under the minor head " Establishment " and " Tools and Plant," respectively, of the major head to which the total charges were debited in the first instance.

(iv) *Recoveries on account of charges for leave and pensions.*—When the recoveries on account of establishment charges include as a distinct and separate factor, the charges for leave and pensions, the portion of the recoveries representing lease should be treated as revenue receipts under the Public Works major head concerned. Recoveries on account of pensionary contribution should, in the case of Civil Works, be credited to " XLIV—Receipts in aid of Superannuation."

while such recoveries in the case of the Irrigation Department should be credited to the Irrigation major heads concerned, as receipts or recoveries of expenditure according as they relate to Revenue or Capital major heads. In cases, however, in which the rates for leave and pension contribution are combined, the recoveries in the case of Civil Works should be taken to " XLIV —Receipts in aid of Superanuation," while such recoveries in the Irrigation Department should be credited to the Irrigation major heads concerned as revenue receipts or recoveries of expenditure according as they relate to Revenue of Capital major heads.

6. The recoveries of expenditure which are finally creditable as revenue receipts should be recorded under the minor head " Recoveries of expenditure " of the major head XVII, XVIII and XXXIX, as the case may be ; while those which are adjustable in reduction of expenditure under the Capital major head should appear under the minor head " Receipts and Recoveries on Capital Account " of the Capital major head concerned.

7. *Recoveries on account of cost of audit and accounts.*—These recoveries when they are mach in connexion with works done for Railways, Militray, Post and Telegraphs and other deparder ments of the Central Government should be treated as reduction of expenditure. In all other cases, such recoveries should be adjusted as receipts under the minor head " Fees for Government Audit " subordinate to the major head " XLVI. Miscellaneous".

APPENDIX 4-A.

(See Chapter V, paragraph 102.)

I.—Units of Appropriation—Public Works—Provincial.

Major head XVII—Irrigation, Navigation, Embankment and Drainage Works for which Capita. Accounts are kept—Deduct—Working Expenses.

Minor heads.	Primary units.	Secondary units.	Remarks.
Maintenance and Repairs.	1. Maintenance and Repairs (*a*).	The several detailed heads in statements B and C Appendix 4.	(*a*) The appropriation for each project is specified. The distribution among the secondary units and the working estimates thereunder is left to the Superintending and Executive Engineers.
	2. *Deduct*—Old maintenance charges (*b*).	....	(*b*) This is a lump sum for each project.
Extension and Improvements.	1. Extensions and Improvements (*c*).	The several detailed heads in satements B and C of Appendix 4.	(*c*) Same remarks as at (*a*) above.
	2. *Deduct*—Old maintenance charges (*d*).	....	(*d*) Same as at (*b*) above.
Establishment ..	Establishment (*e*) ..	....	(*e*) The *pro rata charges are adjusted* annually by the Accountant-General. No detailed control is necessary under this head.
Tools and Plant ..	Tools and plant (*f*) ..	....	(*f*) The charges are adjusted *pro rata* by the Accountant-General at the end of the year by transfer from 50. Civil Works, No detailed control is necessary under this head.

Major head 18—Other Revenue expenditure financed from ordinary revenues.

Minor heads.	Primary units.	Secondary units.	Remarks.
Works	1. Major works (*g*) ..	....	(*g*) Each major work requires specific appropriation.
	2. Minor works ..	....	....
Extensions and improvements.	1. Extensions and improvements.	....	....
	2. Old maintenance charges (*h*).	....	(*h*) same as (*b*) and (*d*) above.
Maintenance and Repairs.	1. Maintenance and Repairs.	....	....
	2. Old maintenence charges (*h*).	....	....
Establishment (*i*) ..	....	....	(*i*) See (*e*) above in the case of 18-A (1) and 18-B (1). In the case of 18-A (2) and 18-B (2) Miscellaneous Expenditure, the cost of special establishment engaged on project surveys and investigations is debited directly to the minor head "Establishment". The units prescribed under 50. Civil Works—Establishment will be applicable to such extent as may be necessary.
Tools and Plant (*j*) ..	....	....	(*j*) See (*f*) above in the case of 18-A (1) and 18-B (1). In the case of the major head 18-A (2) 18-B (2) Miscellaneous Expenditure, the actual cost of special tools and plant purchased for project sureveys is debited. The units prescribed under 50. Civil Works—Tools and Plant will be applicable.
Other charges (*k*) ..	(Dependent on the projects under investigation.)	....	(3) A specific appropriation is required under the minor head for each project.
Grants-in-aid	Grants-in-aid ..	....	....

Major head 18 (1)—Other Revenue expenditure financed from Famine Insurance Grants.

Minor heads.	Primary units.	Secondary units.	Remarks.
Irrigation, Navigation. Embankment and Drainage Works (*l*).	..	....	(*l*) The expenditure is adjusted by the Accountant-General under the orders of the local Government.

Major head 19—Construction of Irrigation, Navigation, Embankment and Drainage Works charged to Revenue.

Same remarks as in the case of major head 18 (1).

Major head 68—Irrigation, Navigation, Embankment and Drainage Works not charged to Revenue.

Minor heads.	Primary units.	Secondary units.	Remarks.
Works	Works (*m*)	The several detailed heads in statements B and C of Appendix 4.	(*m*) A specific appropriation is required under the minor head for each project and also for each major estimate within a project.
Establishment*			* See remarks (*e*) and (*f*) above.
Tools and Plant.*			
Deduct Receipts and recoveries on Capital account (*n*).	Same as minor head	....	(*n*) See paragraph 107.

Major heads 50 and 81—Civil Works.

Minor heads.	Primary units.	Secondary units.	Remarks.
Original works— Buildings—(o) Land Revenue .. .. Excise .. .. Stamps .. .. Forest .. .. Registration .. General Administration. Administration of Justice. Jails and Convict Settlements. Police .. .. Ports and Pilotage .. Scientific and Miscellaneous Departments. Education (other than European and Anglo-Indian Education.) Education, European and Anglo-Indian. Medical .. .. Agriculture .. .. Industries .. .. Civil Works .. .. Stationery and Printing. Miscellaneous Departments. Original Works—Communications (a). Original works—Miscellaneous (b).	Same as minor head ..	Major Works .. .. Minor Works	(o) Each major work requires a specific appropriation and the expenditure thereon should be watched separately. Minor works costing over Rs. 2,500 will also be specifically detailed in an appendix to the budget. For minor works costing Rs. 2,500 and under a lump-sum allotment will be made under each minor head.
Repairs	(1) Rates and taxes ..	....	
	(2) Buildings—Maintenance.	....	
	(3) Communications—Maintenance.	....	....
Establishment ..	See separate list ..	....	....
Tools and plant ..	(1) New supplies ..	....	....
	(2) Repairs and Carriage.	....	....
	(3) Lump-sum charges creditable to other Governments, departments, etc.	....	....
Grants-in-aid	Recurring—	....	....
	(1) Grants to local bodies for trunk roads.	....	....
	(2) Grants to district boards for second class roads.	....	....
	(3) Miscellaneous grants for road maintenance	....	....
	Non-recurring— (4) Grants to local bodies for roads and bridges.	....	....
Suspense	Same as minor head.	....	....
Deduct—English cost of stores and establishment.	(1) Stores	(a) Par value. (b) Gain or loss by exchange.	
	(2) Establishment.* ..	(a) Par value .. (b) Gain or loss by exchange.	*The adjustments under this head will be made by the Accountant-General and communicated to the Chief Engineer monthly for information.
Gain or loss by exchange.	....	....	Watched by Government with the Accountant-General's assistance.

II.—Units of Appropriation under the minor head " Establisment ".

1. Chief Engineers ..	(1) Pay of officers—Voted.	....	....
	(2) Pay of officers—Non-voted.	....	....
	(3) Pay of establishment (Voted)—Permanent.	....	....

II —Units of Appropriation under the minor head " Establishment—*cont.*

Sub-head.	Primary units.	Secondary units.	Remarks.
i. Chief Engineers—*cont.*	(4) Pay of Establishments (Voted)—Temporary.	....	....
	(5) Allowances—Voted. (6) Allowances—Non-voted.*	1. Travelling allowances (excluding fixed travelling allowance). 2. Fixed travelling allowances. 3. Other compensatory allowances.	*Secondary unit 3 only appears under Non-voted.
	(7) Contingencies—Non-contract—Voted.	1. Telephone charges.	....
		2. Pay of menials ..	....
		3. Electric current ..	....
		4. Books and Periodicals.	....
		5. Miscellaneous ..	....
	(8) Contingencies—Non-contract—Non-voted.	Rates and Taxes ..	....
	(9) Supplies and Services—Voted.	Clothing and equipment.	....
ii. Government Architects.	Same as against sub-head.	1. Chief Engineers above.	
iii. Electrical Engineer.	Do.	Do.	
iv. Superintending Engineers.	Do.	Do.	
Executive Establishments.	(1) Pay of officers—Voted. (2) Pay of Officers—Non-voted. (3) Pay of Establishments—Permament—Voted.		
		1. Upper and Lower subordinates.	....
		2. Office Establishments.	....
		3. Other Establishments.	....
	(4) Pay of Establishments—Temporary—Voted.	1. Upper and Lower subordinates.	....
		2. Office Establishments.	....
		3. Other Establishments.	....
	(5) Charges recoverable from other Governments, Departments, etc.	....	....
	Other units same as (5) to (9) under i. Chief Engineers above.		
vi. Medical Establishment.	Same as (3) to (8) under i. Chief Engineers above.	....	....
	(9) Supplies and Services—Voted.	1. Medicine and Hospital charges.	....
		2. Clothing and Equipment.	....
vii. District Board Engineers.	Same as (1) and (5) above under i. Chief Engineers.	....	....
viii. Expenditure in England.	....	....	Watched by the Accountant-General
ix. *Deduct*—Recoveries.	....	....	No appropriation required.

Refunds of Revenue.

xiii. Irrigation, Navigation, Embankment and Drainage works for which capital accounts are kept—*Deduct*—Refunds.	Same as minor head.	....	....

Refunds of Revenue—*cont.*

Sub-head.	Primary units.	Secondary units.	Remarks.
xiv. Irrigation, Navigation Embankment and Drainage works for which no capital accounts are kept—*Deduct*—Refunds.	Same as minor head.	....	....
Civil Works—*Deduct*—Refunds.	Do.	....	..

III.—Units of Appropriation under 50. Civil Works—Central.

Minor heads.	Primary units.	Secondary units.	Remarks.
Original Works—Buildings—Customs .. .. / Taxes / Salt / Opium / Audit / Ecclesiatical / Political / Scientific Departments. / Currency / Miscellaneous Departments.	Original works ..	Major works. Minor works under each of the minor heads.	A specific appropriation is necessary in the case of every major work. A lump-sum appropriation is provided for minor works under each minor head for each division.
Repairs	Repairs—Buildings.*	....	* A lump-sum appropriation is provided for each division.
Establishment ..	Establishment charges payable to other Governments, departments, etc.	....	....
Tools and Plant ..	Tools and Plant ..	....	....
XXXIX. Civil Works—*Deduct*—Refunds.	Refunds of Revenue.	....	....

Debt Heads.

The Accountant-General and Government watch and control the expenditure under the Central and Local Ledge heads.

Monthly Statements.

FORM X.

Division—

Major head—

Report of the Progress of Expenditure against Appropriation up to the end of 19 .

Number.	Minor head.	Detailed heads or units of appropriation.	Name of work and number of estimate.	Modified appropriation.	Expenditure during the year to end of last month.	Expenditure during the month.	Total up to-date expenditure.	Outstanding liabilities to date.	Total expenditure and liabilities.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					Brought forward ..				

FORM Y.

Major head—

Circle—

Statement of Progressive Circle Expenditure up to the end of 19 .

Number.	Minor head.	Detailed heads (for primary and secondary units).	Provincial Circle appropriation up to end of last month, changes modified appropriation.	Expenditure during the year.				Liabilities.	Total liabilities and expenditure.
				Division. / Circle.	Expenditure to the end of last month.	Expenditure during the month.	Total.	Division.	
(1)	(2)	(3)	(4)	(5)				(6)	(7)

NOTE.—In the case of the Chief Engineer the expressions "Provincial" and "Circle" should be substituted for "Circle" and "Division," respectively.

Form Z.

Statement showing the actual Disbursments of grants to local bodies from the provision under the head in the Civil Budget Estimate for 19 .

Number and date of Government Order sanctioned the grant.	Names of local bodies.	Payments made during					
		the seven months from April to October.	November.	December.	January.	February.	March.
(1)	2)	(3)	(4)	(5)	(6)	(7)	(8)

IV—Procedure for the accounting of charges under the minor head "Establishment" drawn by bills on the treasury.

Accounts of Disbursing Officers.

1. Every officer drawing bills on the treasury, who, for the purpose of these rules, will be styled a Disbursing Officer, should maintain an account in form A attached showing the amounts placed at his disposal under such sub-head, primary and secondary unit of appropriation. If no allotment has been made to him under any particular head or unit but he is required to meet his expense thereunder against a lump-sum at the disposal of the controlling officer, as in the case of the units "Pay of Officers" and "Pay of Establishments—Permanent," the allotment need not be entered, but the appropriate heading should be opened to record the expenditure incurred under it.

Should the allotment under any unit be increased or decreased by a higher authority, the figure for the allotment should be corrected by a plus or minus entry in red ink.

Note.—Gazetted Officers who draw their own pay and allowances fro the treasury and who are not heads of Offices need not maintain the accounts prescrib d under these rules but their pay and allowances should be ncluded in the accounts of the head of the office.

2. Each bill presented for payment at the treasury should be marked clearly with the complete account classification, i.e., the major, minor and sub-heads and primary and secondary units of appropriation. Treasury officers are authorized to refuse payment if this rule is not complied with.

3. As each bill is passed it should be posted in the appropriate columns in the prescribed form The postings will be classified by treasury districts in order to facilitate the reconciliation of departmental figures with those of the treasury and the Accountant-General. Any corrections in the classification of bills intimated by the treasury should be carried out in the accounts.

An isolated payment in another district may be indicated in the remarks column. Where, however, a disbursing officer has to make frequent payments in a number of districts separate portions of the same form may be set apart for recording the transactions in each district, or a separate page may be opened for each district, with an additional page for the totals.

4. Disbursing officers who have dealings with sub-treasuries should close their accounts in accordance with the dates of closing of the sub-treasury accounts. For example a bill cashed at the end of the month after the sub-treasury accounts have been closed, should be accounted for as the expenditure of the next month. Large payments after the closing of sub-treasury accounts should, however, be indicated in the remarks column of the disbursing officers' report of expenditure to his immediate controlling officer.

Note.—In the month of March all transactions to the end of the month should be included in the accounts.

5. In posting the account in form A, disbursing officers should bring forward to section III the figures in section VII of the previous month's accounts. Liabilities incurred during the month on account of supplies ordered and expected to be received and paid for during the year should be entered in section VIII (*b*). Payments made on account of liabilities discharged should be posted against the heading (*c*) in the same section as soon as the liabilities have been discharged, simultaneously with the entry of the disbursements or adjustments in section IV or VI.

6. *Leave salaries of gazetted officers.*—Gazetted officers on leave within the Presidency should be required to submit duplicate bills, one of which should be coloured and headed "Not payable at the treasury". Such duplicate bills should be forwarded by the treasury officers, with a certificate of payment, to the Chief Engineer or other officer nominated by him, for inclusion in his account of disbursements.

7. *Report to the controlling officer.*—After the close of the month, each disbursing officer will, after such reconciliation with the treasury figures as may be prescribed by the Chief Engineer in consultation with the district treasury officer, forward to his immediate controlling office V extract of his account in form A containing only sections I, II, III, IV (district totals only), V, VI, VII, IX and X, the details leading up to the district total IV being omitted.

8. *Accounts of subordinate and chief controlling officers.*—The subordinate controlling officer should consolidate in form B the figures of his own register of disbursements (form A) and figures contained in the reports received from his disbursing officers. The disbursements appertaining to each unit should be grouped by districts. If, owing to the number of districts or the number of disbursing officers rendering accounts being large, more pages than one are utilized for the purpose of consolidation, the total should be incorporated in a separate page. The subordinate controlling officer should then forward an extract of his register in form B showing only the totals of sections I to III, IV (district totals only), V, VII, VIII, X and XI.

The subordinate controlling officers except those in the City of Madras under the control of the Chief Engineer should then forward the "B" form statement to the Chief Engineer before the 20th of every month, copy being sent to the Accountant-General also. The Chief Engineer will consolidate the "B" statements from all the circles with figures under "A. Chief Engineers" and "B. Consulting Architect." The Accountant-General will check the figures in the Form "B" statements received by him with those booked in his office and will then return the statements with necessary entries therein to the concerned subordinate controlling officers within ten days through the Chief Engineer. The Chief Engineer will then note in his books the corrections made by the Accountant-General in the "B" returns and will transmit them to the concerned officers with instructions to have the discrepancies pointed out by the Accountant-General, reconciled. On receipt of these verified returns, the subordinate controlling officers (except those in the City of Madras) should locate the discrepancies with the help of the adjustments slips from the Accountant-General and the billwar statements furnished by the subordinate officers under their control and the treasury officers concerned and should forward the necessary discrepancy statement to the Accountant-General for effecting reconciliation. After complete reconciliation of the discrepancies is effected, the subordinate controlling officers should submit to the Chief Engineer a certificate of agreement to the effect that the figures of Establishment charges in their circles have been completely reconciled up to the end of the third preceding month.

As regards officers in the City of Madras under the control of the Chief Engineer including the officers of the Chief Engineers, a clerk from each of the City offices should be deputed to the Accountant-General's Office to personally reconcile the figures of expenditure between the Departmental and Accountant-General's accounts during the first week of the second month following that to which the accounts relate. A reconciled statement of expenditure should then be submitted to the Chief Engineer followed by a certificate that they have completely reconciled the discrepancies.

The Accountant-General and the officers of the department will be jointly responsible for reconciling differences in the figures and discrepancies in classification.

Based on the certificates received from the subordinate controlling officers, the Chief Engineer (General) will send a consolidated certificate of agreement to the effect that the figures of expenditure relating to establishment under his control have been completely reconciled up to the end of the third preceding month.

9. The Accountant-General will send to the Chief Engineer intimation of all expenditure which has been incurred under any of the heads for which the latter is responsible, and which has come to the notice of the former through the exchange accounts. The Chief Engineer will carry out the adjustments directly in his own account in form A or will communicate them to subordinate disbursing officers for entry in their account in form A, according as the charge is one for which the appropriation has been retained entirely by the controlling officer or has been distributed to disbursing officers. Care should, however, be taken to avoid double adjustments

FORM A.

Office of the

Major Head of Account—

Disbursing Officer's Register of Expenditure and Liabilities for the month of 19 .

Number.	Subject.	Minor-head. Sub-heads.																																Remarks.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
I	Units of appropriation																																		
II	Appropriation																																		
III	Expenditure to end of preceding month																																		
IV	Disbursements during the month																																		
	District. / Serial number of bill. / Date of drawal.																																		
	Total disbursements of the month																																		
VI	Adjustments intimated by the Accountant-General.																																		
VII	Progressive total of expenditure including adjustments.																																		
VIII	Liabilities— (a) Balance brought forward .. .. .. (b) New liabilities of the month .. .. .. (c) Deduct discharges of the month																																		
	Balance of liabilities																																		
X	Total progressive expenditure *plus* liabilities (VII *plus* IX).																																		

FORM B

Designation—
Major head—

(Subordinate or Chief) Controlling Officer's Consolidated Register for the month of 19 .

Number.	Subject.	Minor head. Sub-head.																																	Remarks.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
I	Units of appropriation																																		
II	Appropriation																																		
III	Expenditure to end of preceding month																																		
IV	Disbursements during the month																																		
	District of payment — Accounts of																																		
V	Total disbursements of the month																																		
VI	Accountant-General's adjustments— Self as disbursing officer .. .. Officer X .. .. ,, Y .. .. ,, Z																																		
VII	Total adjustments																																		
VIII	Progressive total of expenditure including adjustments																																		
IX	Liabilities— Self as disbursing officer .. .. Officer X .. .. ,, Y .. .. ,, Z																																		
X	Total liabilities																																		
XI	Total progressive expenditure *plus* liabilities (VIII *plus* XI)																																		

N.B.—The same form can be used both by surbordinate chief controlling officers. The form is suitable also for reporting the figures to the chief controlling any, or to the Accountant-General.

V.—List of Controlling and Disbursing Officers.

(50. Civil Works Establishment.)

Major, minor and sub-heads.	Chief Controlling Officer.	Subordinate Controlling Officer.	Disbursing Officer.	Remarks
50. Civil Works—Transferred—e. Establishment—				
i. Chief Engineers	The Chief Engineer (in charge of Establishments).	..	Chief Engineers.	..
ii. Government Architects ..	Do.	..	Consulting Architect.	..
iii. Electrical Engineer ..	Do.	..	Electrical Engineer.	..
iv. Superintending Engineers.	Do.	..	Superintending Engineers.	..
v. Executive Establishments.	Do.	Superintending Engineers.	Divisional and Subdivisional officers.	Subdivisional officers should however send accounts in the prescribed form to Divisional Officers.
vi. Medical Establishment.	Do.	Do.	Do.	..
vii. District Board Engineers.	The expenditure under this head will be controlled by Government in the Local Self-Government Department with the help of monthly statements of expenditure forwarded by the Accountant-General after the first six months of each year.			
51. Civil Works—Reserved—Agency—				
Establishment—				
v. Executive Establishments.	Same as for Transferred—v above.			
vi. Medical Establishments.	Same as for Transferred—vi above.			

APPENDIX 4-B.

Rules for Allocation of Expenditure in the Indian Posts and Telegraphs Department.

The Government of India have decided to institute with effect from 1st April 1924 a Block Account, and a depreciation fund for the replacement of wasting assets, as permanent features of the accounts of the Indian Postal and Telegraph Department. As a Depreciation fund is instituted at an intermediate stage in the life of most of the assets, it follows that a portion of the capital sum in the assets of the Department in past years has already "expired" or "wasted" and consequently. Government have decided that the initial amounts to be included in the Block will consist of—

(i) the portion of capital expenditure incurred prior to 31st March 1924. unexpired on 1st April 1925; in other words, the depreciated value as on 1st April 1925 of all assets, constructed up to 31st March 1924; and

(ii) the original cost of all assets constructed during the year 1924–25;

The annual contributions to be set apart from Revenue to provide for the wasting of assets will be regulated on the Sinking Fund principles, and the Depreciation Fund will comprise the amounts set apart from the revenue of the year. together with interest on the deposits of the fund at such rates as Government may authorize from time to time. The difference between the original cost of assets constructed up to 31st March 1924 and existing on 1st April 1925 and the depreciated value of those assets on the latter date represents capital that has expired by that date, and may for convenience be termed "arrears of depreciation." As the newly instituted Depreciation Fund will not contain any amounts to cover capital expired before its institution, it has been decided that the cost of rehabilitation of those depreciated assets will be met by interest-bearing advances from General Revenues up to the total amount of the "arrears of depreciation." The depreciation fund in its turn is intended to provide money for the rehabilitation of Capital expiring after 1st April 1925, and this unexpired Capital Outlay may in anthitesis to the term "arrears of depreciation" be termed "current depreciation." In future years, accordingly, the Departmental Block Account will include in addition to the two amounts mentioned earlier.

(iii) expenditure which may be debited to capital under the major head 69-I (*a*). and

(iv) such portion of the expenditure on renewals and reconstuctions as may relate to arears of depreciation and is included under the major head 69-I (*b*).

2. To facilitate the operation of the Depreciation Fund the various assets included in the Block Account have been divided into the classes shown in the following table which also exhibits the effective lives and residual values fixed for each class. Assets of any kind not included in the table cannot be included in the Block Account, and the outlay on them will not be a charge to capital.

Assets of the Indian Posts and Telegraph Department and their effective, lines, etc.

Item number.	Class of assets.	Life. Normal (year).	Life. Allowance for accident.	Life. Scrap value.	Net value per cent on which depreciation is to be calculated.
(1)	(2)	(3)	(4)	(5) PER CENT.	(6)
	All branches.				
1	Land	Permanent.	..	..	..
2	Buildings	75	..	.	100
3	Electrical house installations and electric fans, etc.	16	..	5	95

3. *General principles.*—It is a fundamental principle that no expenditure should be charged to Capital unless it has the effect of increasing the asset to which it is charged beyond the value at which that asset is held in the books. In other words, Capital is never to be debited twice with the expense of the same asset. It has been reaffirmed that the allocation of expenditure between (i) 69-I (*a*)—Capital Outlay on new Assets, (ii) 69-I (*b*)—Expenditure on Renewals and Replacements, (iii) the Depreciation Fund, and (iv) XIX—Deduct Working Expenses will be made on the basis of comparative cost. The sole criterion for determining in any reconstruction, the proportions in which expenditure is chargeable to "Capital Outlay on new Assets" or to the other account heads will be the difference between the original cost of the old asset as compared with the cost of the new asset which replaces the old one, the cost in both cases being inclusive of establithment charges, etc. If the two costs are equal, nothing will be chargeable to 69-I (*a*)—Capital Outlay on new Assets. If the new cost is higher the excess over the original cost of the old asset will be debited to Capital Outlay on new Assets; if it is less, Capital must be relieved to the extent of the deficency. The following rules, based on this general principle are prescribed for the allocation of expenditure.

4. *Capital outlay on new assets.*—The head 69 (*a*)—Capital Outlay on new Assets will bear—

(i) the cost of lands ;

(ii) the first cost of construction or equipment of all assets of the classes shown in column (2) of the table in paragraph 2 ante ;

(iii) the cost of any additions to such assets ; and

(iv) any excess in the cost of replacing or renewing an asset borne on the Block Account over the original cost of the asset which is being replaced ;

* * * *

5. *Exceptions.*—Capital will not bear the cist of—

(i) any temporary or experimental works ;

(ii) any new construction or addition unless its cost inclusive of establishment charges, etc., exceeds Rs. 1,000 in the case of buildings or Rs. 250 in the case of other assets. The limit of Rs. 250 applies to electrical, water and sanitary installations in buildings ;

* * * *

NOTE.—The monetary limit of Rs. 1,000 prescribed in respect of buildings will come into force from 1st April 1927.

6. 69-I (*a*)—Capital Outlay will receive credit for—

(i) the excess of the amount included in the Block Account in respect of any asset over the cost of renewal or replacement of that asset ;

(ii) the entire value of an asset included in the Block if it is abandoned, sold or otherwise disposed of without replacement ;

(iii) the surplus of the sale-proceeds of an asset over its cost included in the Block Account provided the surplus exceeds Rs. 5,000. Such credits will require the specific approval of the Auditor-General and the Government of India.

7. *Renewals and replacements.*—All expenditure on Renewal and Replacements will be recorded in the first instance under the major head 69-I (*b*). Except in the case of buildings the value of material recovered from the replaced work and not re-used in the reconstructed work will also be credited to this head and the net balance will thus represent the actual expenditure on the rehabilitation of assets. Out of this amount again a portion representing Capital expiring after 31st March 1925 is to be borne by the Depreciation Fund. The share debitable to the Fund will be determined in the manner prescribed in paragraph 13, and the audit office will be responsible for carrying out an adjustment transferring the amount to the Depreciation Fund. Major head 69-I (*b*) will thus be left with the residuem of the expenditure for rehabilitating Capital expired by 31st March 1925 which, as stated in paragraph 1, will be financed from interest-bearing advances from General Revenues. The rules in the next three paragraphs are designed to comply with these decisions of principle.

8. The head 69-I (*b*)—Renewals and Replacements will be debited with the actual cost, inclusive of share of cost of Revenue Establishment, of replacing assets, included in the Block Account provided that—

(i) in the case of buildings, a complete building is replaced or the cost of replacement exceeds Rs. 1,000 ;

* * * *

(iv) in the case of other assets, the cost of replacement exceeds Rs. 250.

9. The head 69-I (*b*)—Renewals and Replacements will receive credit for—

(i) Value of material recovered from works at such rates as the Director-General may prescribe. The corresponding debits for the value of recovered material will be borne by the work in which it is used or by "Stored Suspense" if returned to stock, except when the recovered material consists of scrap which, under the rules, is to be valued at the prescribed scrap value rates. In the last mentioned case, the debit for the amount credited to 69-I (*b*) will be borne by Revenue.

(ii) Such portion of the expenditure on Renewals and Replacements as may relate to current Depreciation, i.e., Capital expiring after 1st April 1925.

10. *Depreciation Fund.*—Depreciation Fund will bear debits for—

(i) the amount at charge of the Block Account, minus the prescribed scrap value as given in column (5) of the table in paragraph 2, in respect of an asset, which is abandoned or which is otherwise disposed of without being replaced ;

(ii) the excess of the amount at charge of the Block Account over the full cost of the new asset in respect of an asset which is replaced by another at a lower cost ; and

(iii) such portions of the expenditure on Renewals and Replacements, determined as described in paragraph 13, as may relate to capital expiring after 31st March 1925.

The Depreciation Fund will receive credits for—

(i) the revenue contributions on account of wasting assets and for interest on the balance at credit of the fund. These amounts will be calculated in the Audit Office until further orders ; and

(ii) revenue contributions in respect of assets sold, abandoned, or otherwise disposed of without being replaced before maturity up to the date of maturity.

11. *Revenue.*—(*a*) Revenue, i.e., XIX—Deduct Working Expenses will bear debits for—

(i) the cost of all new buildings the total cost of which inclusive of share of Revenue Establishment does not exceed Rs. 1,000;

(ii) the cost of all petty works of a capital nature other than buildings not exceeding Rs. 250 in amount;

(iii) the cost of temporary buildings and of other temporary or experimental works;

(iv) the cost of electrical, water or sanitary installations if Rs. 250 or less;

* * * *

(vii) the cost of replacing or renewing an asset when it is not debitable to Renewals and Replacements;

(viii) contribution for depreciation of all assets included in the Block Account of the Department. If an asset is abandoned or otherwise disposed of without replacement, before its due date for replacement, i.e., before the expiry of its normal life, Revenue will continue to provide the annual depreciation up to the expiry of the normal life;

(ix) the prescribed scrap value of assets, which are replaced, sold or otherwise disposed of as prescribed in paragraph 9 and column 5 of the table in paragraph 2;

(x) amounts credited to capital under the provisions of paragraph 6 when not chargeable to the Depreciation Fund;

(xi) cost of all loose tools, furniture, office fittings, typewriters of all kinds, pillar boxes, etc.;

(xii) amounts of all expenditure not debitable to any of the heads 69-I (*a*)—Capital Outlay on new Assets, 69-I (*b*)—Renewals and replacements, or Depreciation Fund under any general or specific provisions contained in these rules, e.g., shifting of lines and wires or realignments are always charged to Revenue.

NOTE.—Clause (i) of this sub-paragraph relating to buildings will be held in abeyance until specific orders are issued by Government.

(*b*) Revenue will be credited with the sale-proceeds of all essets, except as provided in clause (iii) of paragraph 6, and of scrap material recovered from replaced or abandoned assets.

12. *Determination of original values, etc.*—As sufficient information is not available in respect of the booked original cost or date of construction (or last re-construction) of individual assets, it has been decided that for purpose of estimates and accounts, original cost of any asset should be determined as follows :—

* * * *

(*c*) *Lands and buildings.*—The costs shown in the Registers of Buildings maintained under the orders of the Director-General or the amounts intimated by the Public Works Department should be taken as the original cost.

(*d*) If in any case the original cost cannot be ascertained by any of the methods mentioned above, it should be estimated, due regard being paid to the average rates notified by the Deputy Accountant-General, Telegraphs, and those shown in the Stores Rate Lists.

13. For similar reasons it has been decided that the apportionment between 69-I (*b*) and Depreciation Fund of the actual expenditure on Renewals and Replacements should be made only in the Audit Office. In effecting apportionment it will be assumed that the amount to be charged to the Depreciation Fund will be the sum that may be assumed to have accumulated in respect of assets of the same class and of the same original cost as the assets that are being replaced, in the interval between 1st April 1925 and the year of reconstruction. But the amount that may be so charged in respect of any class of assets may not exceed the original value of the assets that are reconstructed less the prescribed scrap value.

14. The following examples illustrate the more important rules of allocations :—

Example I.—Part of a building borne on the Block Account is dismantled and reconstructed and some additional structures are also erected at a total net cost of Rs. 6,550. The original cost of the replaced portion is Rs. 1,200 and no scrap value is fixed for buildings as material. The details of the estimate and the allocation of the individual items are given below :—

Estimate.		Allocation.		
Particulras.	Amount.	69-I (*a*).	69-I (*b*).	Working expenses.
	RS.	RS.	RS.	RS.
I. Additions and new structures	5,110	5,110	..	..
II. Reconstructions—				
(*a*) up to original cost of replaced structure	* 1,200	..	1,200	..
(*b*) balance of cost of reconstruction	200	200	..	..
III. Dismantlement	90	..	..	90
Total	6,600	5,310	1,200	90
IV. *Deduct*—Sale-proceeds of recovered material	50	..	..	50
Net total	6,550	5,310	1,200	40

* The apportionment, Rs. 1,200 between 69-I (*b*) and Depreciation Fund has not been shown.

Example II.—If in the example quoted above the cost of additions were Rs. 5,610 while the cost of replacement were Rs. 900—other figures remaining unaltered—the allocation would be as follows :—

Estimate. Particulars.	Amount.	Allocation. 69-I (*a*).	69-I (*b*).	Working expenses
	RS.	RS.	RS.	RS.
I. Additions ..	5,610	..	..	..
II. Reconstruction—				
(*a*) Cost of reconstruction up to full original cost of replaced structure (being below Rs. 1,000) ..	..	..	..	900
*(*b*) Excess of original value of reconstructed portion over cost of replacement ..	*—300	..	*300	..
III. Dismantlement ..	..	..	..	90
Total ..	5,310	..	300	990
IV. *Deduct*—Sale-proceeds of recovered material ..	..	..	..	50
Net total ..	5,310	..	300	940

Procedure for allocation of expenditure in the Indian Posts and Telegraphs Department.

The rules laid down by the Government of India for the allocation of expenditure between the major heads (i) 69-I (*a*) Capital Outlay, (ii) 69-I (*b*) Renewals and Replacements, (iii) Depreciation Fund, and (iv) Working Expenses are being issued separately. By "Allocation of expenditure" is meant the distribution of amounts of expenditure between the various major, minor, sub and detailed heads in estimates, allotments, vouchers, divisional accounts, completion reports, and in the final accounts of Government. It will thus be seen that all the activities of the Engineering Branch are involved, and the following instructions issued with the concurrence of the Director General are designed to ensure compliance with those rules and to facilitate the work of executive officers in preparing estimates and accounts, etc.

2. *Preparation of estimates.*—Estimates should be prepared for all works, whether involving buildings, lines and wires for apparatus and plant or any other asset and whether within or beyond the powers of sanction of Divisional Engineers (vide paragraphs 466 and 1049 of Telegraph Manual, Volume III). The only exception is that of casual repairs or replacements of apparatus and plant involving comparatively small expenditure. Estimates for works the cost of which does not exceed Rs. 2,000 are to be prepared in Form I (*f*) while Form I (*a*) is to be used for works exceeding that amount. For casual replacements of apparatus and plant the procedure is simple and is limited to the preparation of a "Store Voucher" in Form V-I under the authority of which, when duly approved by competent authority, the old instrument is returned to stores. Similarly no estimate is prepared for petty repairs, etc., to apparatus and plant.

Hitherto no adjustments were made in the accounts when an asset was abandoned without being replaced but with the institution of a proper Capital Account such adjustments are absolutely necessary. To ensure that they are not overlooked an estimate should henceforth be prepared for the orders of competent authority in every case of sale, abandonment or destruction, whether or not it is proposed to replace the old asset.

3. In whatever form it is prepared the estimate should contain information sufficient to enable its amount to be allocated between various major heads. It should also contain such information as is required for the maintenance of the Block Account in the Audit office and the numerical inventories of assets in Divisional offices. This information may be subdivided into the following :—

(*a*) Brief description of the work, specially in respect of such items as (i) class, type, quantity or extent and situation of the asset or assets involved, (ii) index number of the section involved in line works, (iii) date or period of original construction or last reconstruction of any existing assets of which the reconstruction, replacement, sale or abandonment, etc., is proposed ;

(*b*) cost of completing the work in necessary detail of cash, stores, freight, contingencies, etc. ;

(*c*) original cost of any assets of which the reconstruction, renewal or sale or abandonment is proposed ; and

(*d*) description, present value and disposal of any material that it is expected to recover.

* The adjustment between Capital and Depreciation Fund has been entered to make the allocations complete at all such adjustments will be made only in the Audit office in lump for the entire department.

4. *Determination of original cost.*—As the allocation of expenditure to Capital and to reconstruction is decided on the principle of comparative cost, the determination of original cost is a matter of primary importance. Paragraph 12 of the allocation rules prescribes methods for determining the original cost of various kinds of existing assets that may be involved in any work, and these methods should be adopted wherever practicable. The present practice according to which percentages on account of Establishment, Tools and Tents and Stores Supervision are not included in estimates will continue, but it is important to remember this and exclude these amounts when fixing the original cost of assets to be reconstructed, etc.

5. *Recovered material.*—The quantity and value of material of which the recovery is expected should then be estimated. The recovered material may be treated in one of three ways; it may be (i) used in the same work or in some other work, (ii) returned to stock as serviceable or (iii) declared unserviceable and sold off either on the spot or through the Controller of Stores. Whatever the rate of the recovered material the valuation should be done at the rates for valuation of recovered material notified by the Director-General. The estimate should show the total quantity and value, at notified rates, of the entire amount of material expected to be recovered as well as the quantity and value of the portion to be treated according to each of the methods mentioned above. Again the following caution about the calculation of prescribed scrap value should be noted. Column 5 of the table in paragraph 2 of the allocation rules gives the prescribed scrap value in the form of percentages. These percentages apply total original cost inclusive of such incidental expenditure as railway freight, carriage, cost of erection and establishment and store keeping charges and not merely to the original value of the materials.

6. *Allocation of estimates between major heads.*—The original cost and the value of recoverable material having been determined the allocation between major heads should be carried out as directed in the allocation rules and illustrated in the examples accompanying them. Expenditure on renewals and replacements may relate either to "current depreciation" or "arrears of depreciation" as defined in the allocation rules and would accordingly be devisible between the major head 69-I (*b*) and the Depreciation Fund; but executive officers will not make this distribution. It will be done by the Audit office on the basis of information contained in the estimates, etc., and executive officers should therefore debit the whole cost of reconstruction or renewal to the major head 69-I (*b*)—Renewals and Replacements which head is also to receive credits for the value of recovered material, serviceable or unserviceable, irrespective of whether it is used in the same or a different work or is returned to stores.

7. The next step is the allocation of the amounts relating to the major heads 69-I (*a*) and 69-I (*b*) between their components some of which are shown below:—

Major heads.	Minor heads.	Sub-heads.	Detalied heads.
69-I (*a*) or 69-I (*b*) ..	.. I. Post office ..	.. (*a*) Buildings ..	.. Cost of construction. Electric fittings. Sanitary fittings.

8. The allocation between major heads presents no difficulty as each minor head represents a distinct branch of the department. The cost of buildings meant for the joint use of more than one branch should not be distributed between the prospective users but should be debited in its entirety to the branch which is expected to occupy the greater portion of the building. Trunk Telephone and all Railway or Canal lines should be treated as Telegraph assets; and Telephone Apparatus in Railway and Canal Telephone offices should also be debited to the minor head "Telegraphs."

9. The allocation between sub-heads under the same minor heads does not require any instructions as descriptions of these sub-heads are explicit; neither does the allocation between detailed heads other than those under the sub-heads "Lines and Wires" for the last following plan has been approved of by the Director-General. The first step in making an allocation of the total expenditure proposed under the sub-head "Lines and Wires" between its detailed heads is the distribution of the amount for "Stores". The Director-General will issue a list specifying which articles are to be classed under Posts, Cables and Wires respectively. On the basis of this list the Divisional Engineer will distribute his total provision for "stores" between these detailed heads and then proceed to allocate the cash expenditure in the ordinary way by determining the charges for freight, carriage, labour and contingencies, etc., relating to each. "Brackets" should be treated as part of Posts. All indents for stores should show the detailed classification by major, minor, sub and detailed heads. The Divisional Engineer need not distribute in estimate the expenditure on Wires between copper and iron. The last allocation will be done in the Audit office on the total expenditure.

* * * *

10. All estimates, not exclusively chargeable to working expenses, whether for line works or apparatus and plant, prepared and allocated in conformity with these instructions and with such instructions in the Telegraph Manual as are not superseded by the rules of allocation or these rules of procedure, will be prepared, in duplicate, by means of carbon paper and submitted to the authority competent to accord sanction. The sanctioning authority will, after according sanction

return one copy, so that the execution of work may be stated without any delay and forward the duplicate to the Deputy Accountant-General, Telegraphs, for the audit of the allocation of the estimate. The Deputy Accountant-General will either certify the original allocation or indicate the corrections, and will return the duplicate copy to the sanctioning authority as well as intimate the correct allocation, to the Audit office responsible for auditing allotments and expenditure.

11. *Allotment of funds and appropriation audit of expenditure against estimates.*—The allotment of funds will take place in two stages. A provisional allotment will be made by the sanctioning authority when according sanction and will follow the unaudited allocation shown in the estimate. If necessary, this allotment will be suitably modified on receipt of the duplicate copy of the estimate with the correct allocation given by the Deputy Accountant-General, Telegraphs. Both the provisional and final allotments will distribute the total amount under major, minor and sub heads separately in respect of (i) "stores", (ii) recovered material excluding that used in the same work, (iii) "freight on stores from depot" and (iv) "cash." Appropriation audit of the expenditure will also be conducted on the same plan.

The distribution between detailed heads under the same sub-head will be left to the Divisional Engineer who will effect it for purposes of controlling the expenditure, but the Audit office will not exercise any appropriation audit against allotments for detailed heads.

As all adjustments relating to the Depreciation Fund will be made by the Audit office, no allotment under the head will be placed at the disposal of Divisional Engineers.

The grant under 69-I (*b*)—Renewals and Replacements to cover casual replacements of Apparatus and Plant for which a special procedure is prescribed below will be placed at the disposal of the Controller of Stores.

* * * *

17. *Completion Reports.*—The Completion Report should give in a concise form practically the same information as was first given in the estimate, the difference being that it will depict actual facts as they have occurred during the execution of the work. In other words, it will show the original cost of reconstructed assets, the cost of new work, the value and method of utilization of recovered materials and the allocation of the entire expenditure between the major, minor, sub and detailed heads.

(G.O. Ms. No. 2473-W., dated 28th October 1927.)

APPENDIX 4-C.

(See Chapter V, paragraph 127.)

Rules relating to the Budget estimates under "50 Civil Works—Central."

Relevant extracts from Appendix 8 to the Government of India Public Works Account Code containing the rules relating to the budget estimates of Public Works chargeable to Central Revenues are given below :—

N.B.—The forms mentioned below are those appended to these rules.

Introductory.

1. For purposes of general administration, estimates are framed annually by the Government of India, of the probable receipts and expenditure of the Central Government during the ensuing year, under the various heads of account enumerated in Appendix 7 to the Audit Code. The following procedure is prescribed for the preparation of such of the estimates as relate to public works heads.

Revenue.

2. The estimates of revenue should be prepared and submitted, by each local Government and other budget authority, to the Accounts Officer concerned, by the middle of December of each year. The latter will, after satisfying himself as to their propriety, incorporate the figures in his budget notes which are due to reach the Government of India (Finance Department) by the middle of January.

Expenditure.

3. *Schedules of demands.*—To enable the Government of India to judge the relative urgency of the demands made, against the amounts likely to be available for expenditure on the several heads of account during the ensuing year, Schedules of demands should be prepared in Form No. 1 and submitted, by each local Government and other budget authority, so as to reach the Department of Industries and Labour (Public Works Branch), *not later than 15th October of each year.* Relevant extracts from Form No 1, relating to new major works chargeable to the major head "50. Civil Works" should be submitted simultaneously to the administrative departments concerned, to permit the latter to undertake an examination of the proposals in their various aspects, before the apportionment of the funds available for such works.

NOTE.—As the late receipt of the schedules retards the budget programme and causes considerable inconvenience every endeavour should be made to ensure their timely submission.

4. The schedules should show distinctly the requirements for *new* expenditure, and be accompanied by full details and explanations supporting it. Any increase proposed over the current year's budget, under other items of expenditure, should similarly be justified.

5. The demands for *new* works—major as well as minor—chargeable to the major head "50-Civil Works," will be forwarded by heads of departments to the local Government or other budget authority *concerned by the 15th September of each year.* They should be confined, as a rule, to those works only which have received administrative approval, in cases where such approval is required. In making demands for works of this class, the figures proposed by heads of departments need not necessarily be adopted. Local Governments and other budget authorities should, instead, take into consideration the time likely to be spent, in each case, in the fulfilment of *all* the requisite formalities preliminary to the execution of the work, and then determine, *as accurately as possible*, the amount likely to be spent on it in the ensuing year. Whenever desirable, the *minimum* allotment required for any particular work should be clearly specified.

6. For "Minor Works" and "Repairs" chargeable to the major head "50. Civil Works," the Schedules should present lump-sum demands only under their various minor heads ; but data justifying the *total* demand put forward for each of these two sub-heads should be furnished in the supplementary statement attached to Form No. 1.

7. A careful forecast should be made, at the time of the preparation of the Schedules, of the possible surrenders during the current year on incomplete works, and the demands therefor, for the ensuing year, regulated accordingly. Applications for additional grants, at the commencement of a financial year, for the re-grant of lapsed expenditure of the previous year (*see* rule 41) should thus be restricted to items which could not be foreseen in time for inclusion in the ensuing year's budget.

* * * * * *

12. Items of expenditure which are subject to the vote of the Legislative Assembly should be distinguished from those which are not subject to the vote of that body by the addition of the word "voted" or "non-voted," as the case may be.

13. The demands should be rounded off to the nearest hundred, i.e., provision for Rs. 50 and below under a detailed head should be deleted, and provision for Rs. 51 and above up to Rs. 99 should be taken as Rs. 100.

14. *Settlement and distribution of grants.*—On a consideration of the Schedules, the total *provisional* grant that can be allotted for each head of account will be determined in consulation between the Department of Industries and Labour (Public Works Branch) and the Finance Department. These provisional grants will ordinarily include a general reserve under each major head, or a group of major heads, for which a separate grant is made for allotments to be made by the Department of Industries and Labour (Public Works Branch), during the course of the year—

(i) for the regrant of expenditure which lapsed in the preceding year; and

(ii) to meet unforeseen and emergent expenditure which cannot otherwise be met from within the grant concerned.

* * * * *

17. The Department of Industries and Labour (Public Works Branch) will make a detailed distribution of the total grant for each of the heads concerned, and communicate to local Governments and other budget authorities the amounts provisionally allotted to them for the following year. These allotments will be subject to the vote of the Legislative Assembly, or to the sanction of the Governor-General in Council, or both, as the case may be.

18. Upon the receipt of the intimation referred to in rule 17, local Governments and other budget authorities shall attend to *the very early preparation of the detailed estimates* for those new major works for which provision has been made with a view to the accord of technical sanction thereto. This should be done, as far as possible, before the 31st of March, to enable the funds provided therefore to be released when the final allotments are made (*see* rule 21). Failing this funds will not be allotted but withheld by the Government of India until such time as the projects receive technical sanction.

* * * * *

21. The provision made for various local Governments and other budget authorities will be intimated to them by the Department of Industries and Labour (Public Works Branch) by the end of March of each year. Funds under each of the primary units "Original Works" (under the major head "50. Civil Works") will be divided into secondary units "Major Works" and "Minor Works" and specific provisions sanctioned for individual major works. Funds provided for major works which have not, up to the time of the communication of the budget provision, received technical sanction, will be withheld by the Government of India (*see* rule 18).

22. *Detailed distribution of grants.*—Upon the receipt of the intimation of the final provision for the year, a detailed statement showing the distribution of funds should be prepared by local Governments and other budget authorities in consultation with their Accounts Officers, and two copies and one copy thereof supplied, respectively, to the Department of Industries and Labour (Public Works Branch) and the Finance Department, as soon as possible.

23. In preparing these statements, the following points should receive attention:—

I. The statement should show the distribution of the final allotments by circles or divisions, or both and, by primary and secondary units of appropriation, to cover a number of individual works or items. It should also contain an abstract of the charges by the prescribed sub-heads.

II. Specific provision should be made for each individual major work (*see* rule 21),

III. Lump-sum appropriations may be made for minor works and repairs or maintenance and repairs in respect of each minor head or group of works.

IV. Provision for voted and non-voted items should be shown separately.

V. The amounts and details of the provision intimated by the Government of India should be strictly adhered to, and on no account altered.

The distribution statement, when issued, should be regarded as the authorized programme of expenditure any change required therein, during the course of the year, being dealt with under the rules of appropriation and re-appropriation.

24. *Incurring of expenditure in anticipation of Budget orders.*—In the event of the orders of the Government of India intimating the final provision (*see* rule 21), not being received before the commencement of the financial year, local Governments and other budget authorities are vested with the following powers to undertake works and incur expenditure until the receipt of those orders:—

I. All works in progress at the end of the previous financial year may be continued.

* * * * *

II. Expenditure may be incurred on minor works, repairs and tools and plant up to ten per cent of the provisional allotment for each of these purposes (*see* rule 17.).

* * * * *

25. All expenditure incurred under rule 24 must be treated as a charge against the allotments eventually made.

26. *Appropriation and re-appropriation.*—An appropriation or a re-appropriation is the allotment of a particular sum of money to meet expenditure on a specified object, and it is a fundamental rule that no outlay shall be incurred without such appropriation or re-appropriation. In exceptional cases, however, where expenditure is authorized, in anticipation of the allotment of funds, or in excess of the existing provision, the authorization must be followed as soon as possible, by a formal allotment of funds to the extent required.

27. The appropriation for a unit can be increased or decreased only by a formal order of reappropriation authorizing a transfer of funds from, or to, another unit. In all orders sanctioning re-appropriations, reasons necessitating the addition to, and reduction from, the unit affected should be indicated.

28. Local Governments (* * * *) have full powers to appropriate funds out of the sum allotted to them to meet expenditure from Central Revenues upon public works ; provided—

(*a*) that the expenditure for which funds are appropriated has received such administrative approval and expenditure and technical sanction, or other sanction, as is required by rules laid down by the Government of India from time to time ;

(*b*) that the amount appropriated to any work does not exceed the amount approved or sanctioned for that work by a sum greater than the excess which may be authorized under the rules referred to in (*a*) above ;

(*c*) that funds allotted for non-voted items of expenditure are not appropriated to meet votable items, and funds allotted for voted items are not appropriated to meet non-votable items

* * * * *

29. Subject to the above conditions, the authorities mentioned in rule 28, may re-appropriate sums from any primary unit of appropriation to any other such unit within the head "50" provided—

(*a*) that no re-appropriation shall be made to meet any expenditure, other than contingent expenditure, which is likely to involve further outlay in a future financial year.

* * * * *

(*c*) that no re-appropriation shall be made from or to the units "Major Works" "Minor Works" and "Repairs", and

(*d*) that (i) the provision made for a new original major work shall not be re-appropriated to any other work or item ; and

(ii) a re-appropriation from an original major work in progress shall be made *only* to a work or works of the same category ;

(*e*) that unanticipated credits, i.e., credits not provided for in the budget or in excess of the amounts included therein which are accounted for as minus expenditure, shall not be re-appropriated to any work or item.

* * * * *

NOTE 2.—Re-appropriations of petty sums should be avoided as far as possible.

30. The extent to which the foregoing powers may be re-delegated shall be as follows :

Provincial Governments—Full powers.

* * * * *

31. Where the conditions specified in rules 28 and 29 are not fulfilled, the sanction of the Government of India in the Department of Industries and Labour (Public Works Branch) should be obtained to the appropriation or re-appropriation. Applications for additional funds and reappropriations of funds should, as a rule, be accompanied by statements in Forms Nos. 4 and 5, respectively.

32. The Controlling Officer, at whose disposal an appropriation for a primary or secondary unit has been placed, may out of it, subject to the restrictions in rules 28 and 29, allot funds for expenditure on a specific item or group of items. He may distribute the funds placed at his disposal among the divisional officers working under him, retaining such amounts in 'reserve' at his disposal as he may consider necessary. The sum total of all appropriations made by him from a unit should not, however, exceed the amount of the unit, or portion thereof, placed at his disposal.

33. *Control of expenditure.*—In the case of the secondary unit "Original Major Works," the Divisional Officer will be responsible that—

(i) no expenditure is incurred on any original major work without a specific appropriation for it, except in the case of unfinished work of the previous year which is likely to be completed in the current year for Rs. 500 or less ;

(ii) the expenditure on each original major work is limited by the amount of the specific appropriation sanctioned for it, and the excess expenditure over such appropriation, unless the excess is Rs. 500 or under, is covered at once by an additional allotment of funds ;

(iii) the total expenditure on all original major works of the division, under each unit of appropriation, does not exceed the total of the appropriations made therefor.

In respect of expenditure on the secondary unit "Minor Works" and other primary and secondary units the Divisional Officer will be responsible that the expenditure is kept within the appropriations for each unit as placed at his disposal.

34. *Expenditure not provided for in the Budget.*—Expenditure for which no provision has been made in the budget estimate of the current year should rarely, if ever, be incurred.

35. If, for exceptional reasons, expenditure, which is either not provided in the budget of the current year, or is in excess of the budget provision, has to be incurred, and if the authority incurring the expenditure is either not in a position to find funds by re-appropriation, of is not empowered to sanction a re-appropriation therefor, application for additional funds should be made to the next higher authority stating how the expendi ure is proposed to be met. In doing so, it should invariably be explained why the need for the expenditure was not foreseen in time for inclusion in the budget. Reasons should also be given for considering it indispensably necessary that the outlay should be immediately incurred and not postponed to the next financial year. It should be borne in mind that excess over the grant voted by the Legislative Assembly require the sanction of that body, and expenditure on a new service not contemplated in the budget require the supplementary grant from the Legislative A sembly if the expenditure is votable.

36. In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge has or has not been made in the budget esti ates of the year, and, if it has not been made, whether the funds can be found by re-appropriation. In the latter event, the primary unit or units from which it is proposed to re-appropr ate funds should be indicated.

* * * * *

38. *Review of grants.*—In order to utilize the total resources at the dispo al of Government to the best advantage, local Governments and other budget authorities should carefully review the progress of expenditure against the appropriations placed at their disposal, and submit to the Department of Industries and Labour (Public Works Branch) early in December of each year separate statement for each major head showing the anticipated savings or excesses under the various units of appropriation. These statements should inc ude only such items as are beyond the powers of appropriation and re-appropriation ot the budget authority concerned, and be prepared separately for voted and non-voted expenditure.

* * * * *

NOTE 1.—The officer controlling the funds should take into account all adjustments that can reasonably be foreseen, in consultation with the Accounts Officer, if necessary, and ensure that the revised forecast of expenditure against the appropriation is as accurate as possible. This, however, will not preclude subsequent changes, which could not be foreseen at the time of the review, being effected. All application for such modifications requiring the orders of the Government of India should be submitted in sufficient time to reach the Department of Industries and Labour (Public Works Branch) not latter than the 5th March of each year.

NOTE 2.—As controlling officers are responsible for the effective control of their expenditure against appropriations, a quarterly review of the expenditure should be conducted by them till the the end of September; thereafter, the expenditure should be reviewed by them monthly unil the close of the year.

* * * * *

40. *Rush of expenditure.*—It should be clearly understood that it is contrary to the interests of the State to spend money hastily, and in an ill-considered manner, mainly because it is available. It is for more in the public interest to surrender funds, that cannot be profitably utilized, so that they may be diverted to other objects which would otherwise have to be held in abeyance for want of money. Failure to spend the total allotments made to excecutive officers will not, in ordinary circumstances, operate againt them in any way. They should, therefore, freely surrender all money that cannot be expended economically. Serious notice will be taken of any officer who acts in disregard of these orders.

41. *Lapses and their re-grant.*—Expenditure likely to lapse should, as for as possible, be provided for in the Schedule of Demands for the ensuing year (*See* rule 7). In cases where this cannot be done, however, applications for the re-grant of lapsed expenditure that can be economically utilized in the new financiel year, should bemade in Form No. 6 and submitted that the Department of Industries and Labour (Public Works Branch) as soon as possible after the 15th May of each year. These applications will, as a rule, be met in full.

Revised Estimates.

* * * * *

43. The revised estimate is a forecast of the expenditure likely to be incurred during the year and the figures entered therein, even affter they have been accepted by the Government of India, should not be regarded as authority for th modification of grants. In cases where the actuals are expected to differ from the appropriations, as modified to date, separate action should be taken to obtain additional funds, or to surrender savings as the case may be.

Regularization of excesses over Sub-heads of a grant after the close of a year.

44. To enable the Government of India to ascertain the causes of savings and excesses under different sub-heads of a grant, and the reasons why steps were not taken in time to surrender the savings or to obtain necessary funds to cover the excesses, a statement in Form No. 7 should be prepared, annually, by local Governments and other budget authorities and submitted to the Department of Industries and Labour (Public Works Branch) by the end of December of each year. If, as a result of the scrutiny of these statements, the system of control of expenditure is found to be defective, necessary instructions in the matter will be issued by the Department of Industries and Labour (Public Works Branch) to the authority administering the grant.

NOTE.—Separate statements should be prepared for each grant.

* * * * *

Miscellaneous.

46. The estimates for "Refunds" pertaining to public works heads will be dealt with by the Finance Department through the budget notes, in direct communication with the Accounts Officers concerned who will consult the local officers where necessary.

FORM No. 1.

Schedule of Demands for Civil Works—Central, in—for the year 19 —19 .

(Figures for "voted" and "non-voted" to be shown separately against each item.)

PART I.—ABSTRACT.

Sub-head.	Actuals for 19 -19 (previous year).	Budget Estimate for 19 -19 (current year).	Revised Estimate for 19 -19 (current year).	Demand for 19 -19	Remarks explaining the increase, if any.
A.—*Original Works—Buildings*—	RS.	RS.	RS.	RS.	
Customs					
Taxes					
Salt					
Audit					
Ecclesiastical { Non-voted ..					
Ecclesiastical { Voted					
Political					
Scientific departments—Meteorological					
Currency					
Civil Works—					
(i) Buildings					
(ii) Losses on stock					
Total ..					
Miscellaneous Departments ..					
Total { Non-voted					
Total { Voted					
B.—*Original Works—Communications*— (Here detail each item relating to a new road project if the total cost thereof is estimated to cost over Rs. 1 lakh.)					
Miscellaneous charges					
Charges on road development met from subventions from the road development accounts.					
Total ..					

PART I.—ABSTRACT—*cont.*

Sub-head.	Actuals for 19 -19 (previous year). RS.	Budget Estimate for 19 -19 (current year). RS.	Revised Estimate for 19 -19 (current year). RS.	Demand for 19 -19 RS.	Remarks explaining the increase, if any.
C.—*Original Works—Miscellaneous.*					
D.—Reserve with local Governments for Original Works.					
Total for Original Works ..					
E.—*Repairs—Buildings* *Non-voted* ..					
E.—*Repairs—Buildings* *Voted* ..					
F.—*Repairs—Communications* ..					
G.—*Repairs—Miscellaneous*					
H.—Reserve with local Governments for repairs.					
Total for repairs Non-voted					
Total for repairs Voted					
I.—*Establishment—*					
I. 5.—*Establishment charges credited to other Governments, Departments, etc.—*					
Non-voted					
Voted					
I. 6.—Deduct—*Establishment charges recovered from other Governments, Departments, etc.*					
Total for Establishments ..					
J.—*Tools and Plant—*					
J. 3.—Tools and plant charges credited to other Governments, Departments, etc.—					
Non-voted					
Voted					
J. 4.—*Deduct*—Tools and plant charges recovered from other Governments, Departments, etc.					
Total for Tools and Plant. Non-voted ..					
Total for Tools and Plant. Voted					
Grand total Voted					
Grand total Non-voted ..					

PART II.—DETAILS.

(i) *Original Works.*

Sub-head.	Actuals for 19 –19 (previous year).	Budget Estimate for 19 –19 (current year).	Revised Estimate for 19 –19 (current year).	Demand for 19 –19	Remarks explaining the increase, if any.
A.—*Original Works—Buildings*—	RS.	RS.	RS.	RS.	
A. 1—Customs—					
(i) Major Works					
(ii) Minor Works					
Total ..					
A. 2.—Taxes—					
(i) Major Works					
(ii) Minor Works					
Total ..					
And so on in respect of all other minor heads excepting "Civil Works."					
A.—Civil Works—					
(*a*) Buildings—					
(i) Major Works					
(ii) Minor Works					
(*b*) Losses on stock					
Total ..					
Total Original Works—Buildings ..					
B. Original Works—Communications—					
B-1, B-2, etc. [Here detail each item relating to a new road project (whether of new construction or of additions and alterations) if the total cost thereof is estimated to cost over Rs. 1 lakh.					
B. Miscellaneous charges—					
(i) Other Major Works					
(ii) Minor Works					
B.—Charges on road development from subventions from the road development account—					
(i) Major Works					
(ii) Minor Works					
Total Original Works—Communications ..					
C.—Original Works—Miscellaneous—					
(i) Major Works					
(ii) Minor Works					
Total Original Works—Miscellaneous ..					
D.—Reserve (if any) for unforeseen Original Works—					
Total for Original Works ..					

PART II-A.—MAJOR WORKS—CIVIL, INCLUDED IN PART II (i) FOR 19 -19 .

Particulars of the work	Estimated cost of the work.	Probable outlay to end of previous year, if any. Expenditure to end of 19.	Probable during 19.	Total.	Demand for 19.	Order of urgency and the minimum allotment required for the work.	Remarks.
	RS.	RS.	RS.	RS.	RS.		
Buildings—	(Here add the word "Approximate" if the work is not technically sanctioned.)						
Customs—							
* * * *							
* * * *							
Taxes—							
* * * *							
(and so on)—							
Communications—							
* * * *							
* * * *							
Miscellaneous—							
* * * *							

PART II-B.—MINOR WORKS ESTIMATED TO COST OVER RS. 2,000 INCLUDED IN PART I FOR 19 -19 .

Particulars of the work.	Estimated cost of the work.	Probable expenditure to end of previous year, if any.	Demand for 19 19.	Order of urgency.	Remarks
Buildings—	RS.	RS.	RS.		
Customs—					
* * * * * *					
Taxes—					
* * * * * *					
(and so on)					
Total ..					
Communications—					
* * * * * *					
* * * * * *					
Total ..					
Miscellaneous—					
* * * * * *					
Total ..					

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PART II C.—SUPPLEMENTARY STATEMENT SHOWING EXPENDITURE ON MINOR WORKS AND REPAIRS UNDER CIVIL WORKS—CENTRAL, DURING THE PAST FIVE YEARS, 19 —19 .

Year.	Minor works (limit Rs. 20 000). Buildings.	Communications.	Miscellaneous.	Total.	Probable cost of all Central buildings that will be borne on the P.W.D. books by the end of 19 -19 .	Repairs. Civil buildings.	Percentage rate that may be taken for all repairs for buildings and miscellaneous recurring items, such as rents, taxes, etc.	Communications.	Total length of roads maintained with average mileage rate.	Miscellaneous.	REMARKS.—(Here add any other information that may help to justify the demand put forward).
	RS.	RS.	RS.	RS.	RS.	RS.		RS.		RS.	
Total for five years ..											
Average for one year .											

FORM No. 4.

NOTE.—In submitting applications for additional funds, rules 34 to 36 of the "Rules relating to the budget estimates of public works expenditure chargeable to Central Revenues" should be carefully studied and the necessary explanations required thereunder furnished in the letter forwarding each such application.

Province

Branch
Circle
Division
Fund head

APPLICATION FOR ADDITIONAL FUNDS.

No. , dated the 19

Forwarded to the

Application to the for Additional Funds.

Unit of appropriation.	Item number of budget.	Work or item.	Amount of estimate technically sanctioned.	Outlay to end of previous year.	Original allotment for current year.	Existing allotment for current year.	Proposed increase.	Allotment as now proposed.	Remarks.
			RS.	RS.	RS.	RS.	RS.	RS.	

(Signature)

Designation of authority submitting the application

FORM No. 5.

Province.

Branch
Circle.
Division
Fund head

APPLICATION FOR RE-APPROPRIATION.

No. , dated the
19 .

Forwarded to the

Application to the for Re-appropriation.

			Proposed addition.					
Unit of appropriation.	Item number of budget.	Work or item.	Amount of estimate technically sanctioned.	Outlay to end of previous year.	Original allotment for current year.	Existing allotment for current year.	Proposed increase.	Allotment as now proposed.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			RS.	RS.	RS.	RS.	RS.	RS.

			Proposed reduction.					
Unit of appropriation.	Item number of budget.	Work or item.	Amount of estimate technically sanctioned.	Outlay to end of previous year.	Original allotment for current year.	Existing allotment for current year.	Proposed reduction.	Amount at which allotment will stand after reduction.
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
			RS.	RS.	RS.	RS.	RS.	RS.

(Signature)
Designation of authority submitting the application.

Explanation for Re-appropriation, giving reasons necessitating the additions to, reductions from, the units affected.

FORM No. 6.

Form of application for re-grant of lapsed expenditure under the Major Head.

Sub-head.	Details of expenditure.	Amount of estimate.	Allotment (final) for previous year.	Expenditure to end of previous year.	Expenditure during previous year.	Amount of lapse.	Amount required in addition to current year's budget provision.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		RS.	RS.	RS.	RS.	RS.	RS.

NOTE.—Columns (3) and (5) to be filled in the case of major works only.

FORM No. 7.

Statement showing the savings and excesses which occurred during the year 19 –19 , under the various sub-heads relating to the Major Head.

(Figures for "voted" and "non-voted" to be shown separately against each sub-head.)

Sub-head.	Budget allotment.	Final allotment as it stood at the end of the year.	Expenditure,	Saving.	Excess.	Explanation as to the causes of the variations and the reasons why steps were not taken in time to surrend the savings or to obtain the necessary funds to cover the excesses, as the case may be
				As compared with the final allotment.		
	RS.	RS.	RS.	RS.	RS.	

(P.W.A. Code No. 328, dated 1st November 1933.)
(G.O. No. 1792 W., dated 16th August 1934.)

APPENDIX 5.

[See Chapter XXI, paragraphs 556 (d) and 585.]

Accounts Rules relating to the Receipts and Charges of the Public Works Department is connection with Cemeteries and Churches.

Introductory.

1. The rules in this appendix state the account procedure to be observed in dealing with such receipts and charges pertaining to cemeteries and churches as pass through the accounts of officers of the Public Works Department in accordance with the Ecclesiastical Rules published by the Education Department of the Government of India.

Receipts.

2. Divisional Officers are not concerned with any receipts of the Ecclesiastical Department other than sums received as fees for endowments of monuments in Government cemeteries.

3. Endowment fees which are payable to the Divisional Officer under the Ecclesiastical Rules may be received if offered, by any subordinate officer authorized to receive moneys on behalf of the Divisional Officer. A receipt should at once be granted to the payer in Form No. 3 (P.W.D. VI-17) and the amount received should be credited in the Cash Book to the head "Cemetery Endowment Fund" under "Savings Bank Deposits—Bank Accounts."

1. The receipt should set forth full particulars of the endowment, including the names of the deceased and the cemetery.

Charges.

4. Expenditure in connexion with ecclesiastical works is incurred in the Public Works Department only when the charges are debitable to the estimates of the department under the Ecclesiastical Rules or the responsibility for the proceedings leading to the expenditure devolves primarily on the department under those rules. No charges may be adjusted against the grants of the department in connexion with any of the services which definitely devolve upon any other department—e.g., the entertainment of mali-chowkidars and assistant coolies or other ecclesiastical establishment—on the plea that the expenditure is not unconnected with other services, e.g., planting of trees, shrubs, etc., for which the Public Works Department is responsible. Nor may any expenditure be adjusted against the Public Works grant, which is not authorized to be met from State funds, e.g., the cost of architectural decoration to church buildings or of furniture in excess of, or costlier than, the prescribed scale, or charges for the erection of reredos or for unauthorized repairs or renewals.

1. Expenditure incurred on the digging of graves or the preparation of coffins, under the general or special orders of the Civil or Military officers authorized to issue such orders to a Public Works officer is recoverable from such officers, and should, therefore, be treated as expenditure on Deposit Works, though charged to the head "Miscellaneous Public Works Advances" pending recovery.

5. The charges incurred should be accounted for generally in accordance with the ordinary rules relating to Civil Works expenditure subject to the special instructions given in the following paragraphs.

6. In recording the expenditure on endowed monuments such details should be maintained as may be required to be posted in the annual ledger accounts of endowments (vide paragraph 14 following). If separate estimates are not sanctioned, the necessary details may be recorded separately in Works Abstracts and Register of works.

7. An advance made under the Ecclesiastical Rules to a chaplain or other Government servant out of the Public Works grant, for the purpose of "planting a cemetery and preserving it in decent order," should be treated as a cash imprest, standing or temporary as may be convenient.

8. When furniture is supplied to a temporary church, which is required to be returned into store when the building ceases to be used as a church, a numerical account of it, should be kept, as a supplement to the Register of Tools and Plant, Form 15 (P.W.D. VI-9) until the articles are received back and disposed of.

9. If any works are executed on behalf of church societies or other trustees concerned even when they may have received cash grants for the purpose from the Civil Department, or if any other expenditure is incurred on their behalf which is not chargeable to the State, the transactions should be treated in the accounts as pertaining to Deposit Works under the rules relating to such works.

Accounts of endowments.

10. The accounts of endowments, as described in the following rules, are kept on the principle (1) that the actual expenditure incurred in connexion with the objects for which endowments have been received is charged off as Civil Works expenditure, and the income accrued in the shape of interest on the endowments is, *per contra*, treated as Civil Works revenue, and (2) that *pro forma* accounts are maintained separately, comparing the expenditure with the income.

1. An ordinary endowment is intended to cover the expense of ordinary annual maintenance, re-lettering and repairs, but not the risk of accidents due to floods or earthquakes or other extraordinary causes, which can be covered only by an additional special endowment.

11. All endowment receipts of the month should be posted in the Register of Endowments Receipts, Form 88 [P.W.D. VI-41 (*a*)] maintained in the Divisional office in respect of each cemetery, and the total of the endowments received up to date (Ordinary or Special as the case may be) should be struck against the last entry.

12. In the monthly Schedule of Credits to Miscellaneous Heads of Accounts, Form 76 (P.W.D. VI-99) the total receipts of the division on account of endowment fees should be detailed so as to show the amounts realized for each cemetery, separately for Ordinary and Special Endowments.

13. In the Monthly Account of the division for March, interest on the amounts of endowments as received up to end of that months held be calculated at the rates prescribed in the Ecclesiastical Rules, and credited to the heads " XXXIX. Civil Works " by debit to " 22. Interest on their obligations—Interest on Cemetery Endowment Fund," full details showing the amount pertaining to each cemetery (separatey for ordinary endowments) being given in the Schedule of Debits to Miscellaneous Heads of Account, Form 76 (P.W.D. VI-99).

1. Simultaneously, the amount of interest creditable to each ledger account (paragraph 14) of the following year should be posted therein.

14. At the close of the year, the Ledger Accounts of Endowments should be written up in Form 89 [P.W.D. VI-41 (*b*)] which shows the expenditure of the year against the interest on endowments received to end of the previous year *plus* unspent balance (if any) of that year's ledger account. A separate set of folios should be reserved for each cemetery and the transactions of a year should be posted so as to show separately the figures for (*a*) each special endowment the amount of which exceeds Rs. 25, (*b*) other Special Endowments collectively, (*c*) all Special Endowments collectively, i.e., (*a*) + (*b*) and (*d*) all Ordinary Endowments collectively.

15. From the ledger accounts should be prepared, for submission to the Accountant-General, the Annual Account of Cemetery Endowments, Form 90 [P.W.D. VI-41 (*c*)] a separate sheet being used for each cemetery, and the amount of endowments to end of the year being taken from the Register of Endowment Receipts, Form 88 [P.W.D. VI-41 (*a*)].

16. The Annual Account which the Accountant-General is required to submit to the Local Government in accordance with the Ecclesiastical Rules will also be prepared in Form 90 [P.W.D. VI-41 (*c*)], substituting " Name of cemetery and class of endowment " for the heading of column 1.

APPENDIX 6.

(See Chapter IX, paragraph 255.)

Rules for the collection and accounting of toll collections levied under the Navigation Rules framed under Act II of 1890.

1. On the payment of the prescribed fees the officer empowered to issue licences or other tickets and passes prescribed in the Navigation Rules under Act II of 1890 should issue them in the prescribed form. All licences should, if possible, be issued on the day on which the fees are paid.

2. Indents for tickets should be made to the Superintendent, Government Press, Madras.

3. On receipt in the Division office, the tickets should be carefully examined by the Divisional Officer. He should then count the number of tickets in each book and record a certificate of count on the fly leaf. Errors in print should be corrected and attested under the dated initials of the Divisional Officer. In the case of books issued to Subdivisional Officers by the Divisional Officers the certificate of the latter will not dispense with the examination of the books on their receipt from the former. The Subdivisional Officers should make a fresh count in such cases and record a certificate of count again on the fly leaf as soon as the books come into their hands. Boat, Lock and Wharf Superintendents should record similar certificates as soon as the books come into their hands and before bringing the books into use.

3-A. On receipt in the Divisional Office, the tickets should be entered in the prescribed register (only after a count of the tickets as enjoined in rule 3 is completed and recorded) a separate folio being opened for each class of tickets and every Canal Officer empowered to grant licences or sell tickets should also keep a register in the same form without using the columns " Date of issue " and " To whom issued ". (Issue of " M " licence books and " L " pass books should be accounted for properly in the Stock Register.) Not more than one licence book shall be issued at a time to each licensing station.

The Register of Tickets should be reviewed periodically and an assurance obtained from the Canal Officer empowered to grant licences or sell ticket that the ticket book is in his personal custody and contains the full number of forms intact.

4. Blank forms of the licences and other tickets should be kept securely under lock and key, and blocks of completed books of licences should be returned to the Divisional office for record. Whenever there is a transfer of charge, a record of blank licence books and other permit books, etc., should be made in Form No. 3 of toll cash accounts.

5. Complete registers of the vessels of several classes plying in each Canal System should be printed by Superintending Engineers for the use of officers of divisions having navigable canals and these registers should be kept up to date. For the use of licensing stations, a list giving the register numbers of all boats registered at Dowlaishwaram, Bezwada or Madras with the net tonnage against each should be printed and kept up to date by the issue of correction slips by the divisions concerned.

Entries in the Board Register should be made by the Lock Superintendent and attested by him as and when the boat is registered. All corrections should be made by the Wharf Superintendent with dated initials. The Section Officer, Subdivisional Officer and the Executive Engineer whenever they happen to be at the wharf should peruse the entries to see that the register is properly maintained.

6. Realization of the sale of ticket should at once be entered in the special form of Day Book [P.W.D. VI-117 (*a*)] for the use of Boat, Lock and Wharf Superintendents. The book will be in counterfoil like an Imprest Cash Book and the entries may be made in such detail as will allow of a proper check of the amount collected. Seprate forms [P.W.D. VI-117 (*b*)] are provided for the Day Book of the realization from the sale of licence tickets and wharfage, demurrage and other dues.

NOTE.—The Imprest Cash Book in Form 2 (P.W.D. VI-2) may be used in cases where the transactions do not appertain to more than one or two classes of receipts.

7. *Submission of accounts.*—Each officer or subordinate authorized to sell tickets should send a copy of his Day Book to the Subdivisional or Divisional Officer as may be ordered either daily or at such times as the Executive Engineer may direct but not less than once a month. The Cash Account [P.W.D. VI-117 (*c*)] should be supported by receipts for remittances, duplicate tickets and collected tickets. If in any case no tickets are sold in a month, a nil form of account should be submitted and the Divisional Accountant should be careful to see that they are duly received.

8. On receipt at the Divisional office, the Cash Account should be checked with the Day Book and their accompaniments, special care being taken to see that the tickets accounted for are in prescribed order, that the opening number of each ticket book agrees with the closing number in the previous cash accounts and also that the proper amount due has been collected and brought to account in each case. In the case of annual licence and wharfage fees, it should be seen by

reference to the Register of Boats that the tonnage is correctly quoted. In the case of six weeks' licences, this comparison of tonnage with the Boat Register may be restricted to a percentage of the tickets sold.

9. *Collected tickets.*—When a ticket book is used up, the date of the last ticket sold should be entered in the Register of Tickets. The amounts entered on the collected tickets should be compared with the amount accounted for in the Day Book and the tickets should then be returned to the concerned locks. The tickets thus returned after audit should be pasted in the blocks at the locks and the pasting should be completed from month to month. When all the tickets of a book have been received and pasted, the block should be sent to the Divisional office for record. Collected tickets issued in another division should be sent to that division for disposal. Blocks with collected tickets attached thereto should be kept for three years and then destroyed, the fact of destruction being noted in the register.

The following special procedure should be applicable to the completion of licence books :—

The counterfoils of completed licence books should be sent to the Sub-division office within a year of completion, the Lock Superintendent or Wharf Superintendent noting in the Register of Canal ticket books with him, the dates of first and last entries and date of transmission to the Sub-division office. The surrendered licences after audit in the Division office should be sent to the Subdivision office where only they should be posted on to the relevant counterfoils month after month. These registers after completion and audit by Divisional Accountant during inspection should be sent to the Divisional office with the certificate of completion signed by the Subdivisional Officer for final disposal after check of surrendered licencss with the Cash Account I.

When the final audit is made, the word " Cancelled " should be stamped on the surrendered licence and returned for record in the canal office.

10. *Disposal of cash collections.*—Cash collected should be remitted daily to the nearest treasury or to a Subdivisional office or to the Divisional office, as the Executive Engineer may direct in writing in the case of each officer.

NOTE.—The Executive Engineer may permit under written orders a Canal Officer to retain the cash collections or a longer period than that laid down above when the exigencies of the service demand the concession. But in such cases the Executive Engineer must satisfy himself that sufficient precautions have been taken against any possible loss of Government money.

11. All such cash balances in the hands of Canal Officers should be carefully preserved in strong iron-safes and watched, where so prescribed, by a police guard.

12. Remittances to the treasury should be accompanied by a chalan in duplicate in the prescribed form, one copy to be retained by the treasury and the other to be sent to the Divisional or Subdivisional office, as the case may be, in support of the entries of payments in the Cash Account.

13. An officer or subordinate empowered to sell tickets will be personally responsible for any short recoveries or under charges made in contravention of the Navigation Rules. He should satisfy himself on the following points before issuing any licence :—

(1) that the previous licences are surrendered by the owners of vessels ;

NOTE.—The word 'renewed' should be stamped by the licensing officer on a surrendered licence when the renewal is made and should also be dated by date stamp below the word renewed."

(2) that the rates charged are correct and in accordance with those given in the Navigation Rules and Notification ;

(3) that the registered tonnage in the case of new vessels is arrived at by correct measurement ; and

(4) that the full amount of the licence is recovered before the issue of such licence.

The date of issue and of expiry should be stamped by the licensing officer on the original licence by a date stamp.

14. Section Officers and Subdivisional Officers should test-checkmeasure the entries in the Boat Register with the boat plying in the canal. The minimum number of checkmeasurements will be five in the case of Subdivisional Officer and ten for Special Officer per month from among the previously unchecked boats. The fact of checkmeasurement should be recorded under the dated initials of the officer concerned in the Boat Register and the licence. The fact should also be intimated to the Executive Engineer promptly.

A register of checkmeasurements of licences by Subdivisional Officer and special officer should be maintained in the Subdivision office and produced during the inspection of the Subdivision office by the Divisional Accountant.

15. Cases of doubt or difficulty not distincly provided in the rules should always be referred to the Divisional office for instructions before issuing licence.

APPENDIX 7.

Rules for the Distribution of Establishment and Tools and Plant Charges.

1. The accounts of Establishment and Tools and Plant charges are kept on the following principles :—

(i) The charges of a division or special office are, as a rule, met out of the single major head "50. Civil Works" in the first instance.

(ii) Before closing the accounts of the year, the Audit office apportions the charges of the whole province amongst the major heads to which the cost of the works was charged.

(iii) In certain cases where this annual adjustment is unsuitable, as for example in the case of non-Government works or for works done only occasionally for other departments, the recovery of cost is effected in the accounts of the divisions concerned, from time to time, by the levy of a percentage charge.

(iv) Otherwise, the shares pertaining to individual works are not determined except for the purposes of certain *pro forma* accounts, as in the case of Irrigation and Navigation Works.

2. The establishment charges of a division or of a special office should, in the first instance, be classified under the minor head "Establishment" of the major head "50, Civil Works". The same major bead should hear, in the first place, the charges for the ordinary tools and plant of the division, under the minor head "Tools and Plants".

1. For the classification of the charges for (1) the special tools and plant of a division and (2) the tools and plant of a special office, see paragraph (4 of this Appendix and paragraph 528 of the Code, respectively.

3. As an exception to the foregoing rules, the undermentioned special establishment should be charged as indicated below :—

(i) Establishment employed on large irrigation surveys for new projects : To the surveys concerned under the head "18. Other Revenue Expenditure financed from Ordinary Revenues —Miscellaneous Expenditure."

(ii) Establishment employed on famine relief works : To the head "54-A. Famine Relief.'

(iii) Establishment employed in workshops of a *quasi*-commercial character. To the workshop concerned under the major head "50. Civil Works" under which its maintenance charges are classified.

(iv) Establishment employed on works in the Agency tract : To the head "50. Civil Works—Reserved—Agency."

(v) Superintendent—Divi Pumping Station : To minor head "Establishment" under the head "XVII. Irrigation, Navigation, etc., works—Divi Pumping System."

(vi) Establishment employed for the execution of irrigation project, such as the Cauvery-Mettur Project : To the head "68. Construction of Irrigation, Navigation, Embankment and Drainage Works."

4. The cost of special tools and plant, i.e., tools, plant, machinery, etc., obtained to meet the special requirements of a particular work or project, and of a nature not usually to be found in the general stores of the province, should be treated as a direct charge to the work of project and not classified under the minor head "Tools and Plant". Similarly, tools, plant and machinery required for a workshop of a *quasi*-commercial character should be charged direct to the accounts of it.

NOTE 1.—In case of doubt, the Chief Engineer will decide whether any item of tools and plant should be classified as ordinary or special.

NOTE 2.—The cost of tools and plant required for use on Famine Relief should be treated as "Special" and classified in accordance with rule 4 above.

5. Recovery of the cost of establishment and tools and plant should be made in the following cases :—

(*a*) Work done for other provinces.

(*b*) Work done for Railways, Military Works Services, Posts and Telegraphs or the Archæological Department.

(*c*) Work done for all other departments, when the cost is chargeable to those departments.

(*d*) Non-Government works and works for Indian State.

(*e*) For all work done in the Public Works Workshops at Madras, Dowlaishwaram and Bezwada, even though the work is for a Public Works Division within the province.

(*f*) For work done in the concrete laboratory, Physics and Soil Mechanic's office and Irrigation Station, Poondi, on behalf of departments of Provincial Governments, other Governments, Railways, States, private persons or bodies.

6. In the cases referred to in rule 5 above, recoveries will be made at percentage rates on the value of work done. The percentages for Archælogical and Central Civil Works and works executed for the Military Engineer Service and the Posts and Telegraphs department have been fixed at 19 per cent for establishment, pensionary and tools and plant charges as a permanent arrangement with effect from 1st April 1930. The percentages for items (*a*), (*c*), (*d*) and (*e*) and for railways in item (*b*) are fixed separately for establishment and tools and plant charges, and re-adjusted if necessary at quinquennial intervals, by the local Government in consultation with

the Accountant-General, the rates being based on the actual average cost (per 100 rupees of outlay on works) in the Presidency during the previous five years. The actual average cost should be taken to mean, in the case of establishment, that portion of the average expenditure on the whole establishment which may be considered to have been incurred in the actual execution of works and their connected preliminaries. The object of the latter rule is to exclude from the ratio of the cost of establishment to the outlay on works, the share of the cost of establishment employed on other miscellaneous duties of the Public Works Department such as the annual inspection of railways affecting tanks, preparation of data statements for buildings, inspection of buildings annually, and the scrutiny of plans on behalf of local bodies without actually executing any work in order that in the aggregate, the recoveries made on work done may represent fairly the actual cost of the services for which the percentage are charged.

The percentages applicable are—

(i) for work done for other Provinces—Same as sub-clause (iv) (*a*) below except 1 per cent for audit and accounts ;

(ii) for work done occasionally for railways—Same as sub-clause (iv) (*a*) below ;

(iii) for work done for all other departments and charged to the departments concerned—Same as sub-clause (iv) (*a*) below except the percentages for audit and accounts and for pensionary charges. Provided that if the work done is for a commercial department, the percentage prescribed for pensionary charges should be levied.

NOTE.—If the establishment employed on a project of the kind referred to in sub-clause (vi) of rule 3 above (which should be treated as a commercial department with reference to the rules in Appendix 5 of the Madras Financial and Account Code) executes work on behalf of Public Works Department divisions charged to " 50. Civil Works " or for other departments, the centage charges applicable are those in sub-clause (iv) (*a*) below, but excluding 1 per cent for audit and accounts.

(iv) for non-Government works (including local fund works, municipal works and other contribution works) and works for Indian States as below :—

(*a*) For works other than water-supply and drainage schemes—

13 per cent on the amount of works outlay for establishment.

1½ per cent on the amounh of works outlay for pensionery charges.

1 per cent on the amount of works outlay for tools and plant.

1 per cent on the amount of works outlay for audit and accounts.

16½ per cent.

These rates will apply to works which were started on or after 1st April 1937.

NOTE 1.—When lump-sum contributions are received towards Government works from local bodies or private persons or bodies, they should invariably be distributed, for accounts purposes, in two parts (as laid down in paragraph 477 of this Code), the one representing a share of works expenditure and the other the amount chargeble on that share as Establishment and Tools and Plant and pensionery charges calculated according to the percentage fixed in sub-clause (iv) (*a*) above. No charge for audit and accounts should be levied in such case

In the case of contribution works where the local bodies or private donors are permitted to carry out the works themselves under the supervision of and in accordance with the plans and estimates approved by the Public Works Department and where no centage charges are to be recovered for supervision and scrutiny of plans and estimates, centage charges at rates detailed below should be credited to the Public Works. Department in the manner laid down in rule 5 (1) of Statement E of Appendix 4 Madras Public Works Account Code and the same amount debited to the concerned department which is benefitted by the work. The rates of centage charges to be adopted in such cases will be 1 per cent of the estimated cost for scrutiny and sanction of estimate and 2 per cent of the sanctioned estimated cost of work for supervision and direction including test check.

NOTE 2.—If, in the case of any local fund or municipal work executed by the Public Works Department the local fund or municipal staff are employed on investigation and preparation of plans and estimates before they are sanctioned and such plans and estimates are worked to without revision, the rate for establishment will be reduced to 10½ per cent.

NOTE 3.—If the Public Works Department prepares the plans and estimates for any works to be executed by the Central Government, other departments of the Provincial Government, local bodies including Municipalities private persons and Indian States, a charge of 2¼ per cent on the estimated cost exclusive of the cost of land, will be levied subject to a minimum of Rs. 10. In cases where the Public Works Department merely scrutinizes the estimates and plans prepared by the Central Government, other departments of Provincial Government, local bodies including Municipalities, private firms, and Indian States, the charge should be 1 per cent on the estimated cost exclusive of the cost of land subject to a minimum of Rs. 5. This rule does not apply (i) to the scrutiny of trunk road maintenance estimates undertaken with reference to rule 3 of the rules in both sections A and B of Appendix IX to the Madras Public Works Department Code and (ii) to the preparation or scrutiny of the plans and estimates for works financed entirely from the Road Fund. In the case of works executed by local bodies

and financed partly from the Road Fund and partly from other funds the centage charges leviable should be based on the proportion of the estimated cost of the work to be met from funds other than the Road Fund. Such charges may be debited to the estimates for the works provided that no grant may be claimed from the Road Fund in respect thereof.

NOTE 4.—Centage at the above rates will be payable by Government to the railway companies in respect of works done for Government. When plans and estimates are prepared by the Public Werks Department for railway works or by the railway companies for works required for Railway Police and if the works are not subsequently carried out, charges will be payable on the sliding scale fixed by the railway company concerned from time to time.

NOTE 5.—In cases where Public Works Department Officers are required to issue certificates of reasonableness of rent for private buildings occupied by educational institutions which are aided from Provincial funds. fees shall be collected at the rates prescribed in Note 6 to paragraph 73 of the Madras Public Works Department Code.

(b) I. For water-supply and drainage schemes executed by the Public Works Department with its own staff—

	For a scheme the cost of which exceeds Rs. 1 lakh. PER CENT OF WORKS OUTLAY.	For a scheme the cost of which does not exceed Rs. 1 lakh. PER CENT OF WORKS OUTLAY.
(a) For establishment employed on execution, supervision and direction.	10	10
(b) For pensionary charges	1½	1½
(c) For preparation of plants and estimates by the Sanitary Engineer.	2½	2½
(d) For scrutiny by the Chief Engineer	½	Nil
(e) For audit and accounts	1	1
Total ..	15½	15

NOTE.—No centage charges will be levied on account of "Tools and Plant."

II. For water-supply and drainage schemes in direct charge of Municipal Engineers' supervised by and certified to by the Public Works Department, Executive Engineer—

	For a sheme the cost of which exceed Rs. 1 lakh. PER CENT OF WORKS OUTLAY.	For a sheme the cost of which does not exceed Rs. 1 lakh. PER CENT OF WORKS OUTLAY.
(a) For supervision and direction by the Public Works Department.	4	4
(b) For pensionary charges	½	½
(c) For preparation of plans and estimates by the Sanitary Engineer.	2½	2½
(d) For scrutiny by the Chief Engineer	½	Nil.
Total	7½	7

NOTE.—If, in any of these cases, the plans and estimates are prepared by the Municipal Engineer and they are worked up to in execution, the above rates of centage charges will be reduced by 2 per cent of works outlay.

III. For water-supply and drainage schemes taken up by the Public Works Department for execution retaining the Municipal Supervisors to work under one of the Public Works Department, Subdivisions, centage charges should be levied at the rate specified in sub-clause I above *LESS* the cost of the actual Municipal establishment employed on the works.

IV. In the case of Panchayat Board water-supply and drianage schemes executed under the control of District Board Engineers but supervised by the P.W.D. Superintending Engineers, the charge for supervision and direction should be recovered at the rate of 2 per cent of works outlay.

NOTE.—(i) The rates specified in sub-clause I above shall apply only to those works the execution of which was actually started on and after the 15th June 1938.

In the case of contribution works where the local bodies or private donors are permitted to carry out the works themselves under the supervision of and in accordence with the plans and estimates approved by the Public Works Department and where no centage charges are to be recovered for supervision and scrutiny of plans and estimates, centage charges at rates detailed below should be credited to the Public Works Department in the manner laid down in the rule 5 (1) of Statement E of Appendix 4, Madras Public Works Account Code. and the same amount debited to the concerned department which is benefited by the work. The rates of centage charges to be adopted in such cases will be 1 per cent of the estimated cost for scrutiny and sanction of estimate and of per cent of the sanctioned estimated cost of work for supervision and direction including test check.

(ii) The rates specified in sub-clause II, III and IV shall apply to schemes taken over under the supervision of P.W.D. after 15th June 1938 and will be levied on the expenditure incurred thereon from and after the dates on which they were taken over.

(c) a charge of $2\frac{1}{2}$ per cent on the estimate amount, if it does not exceed Rs. 1 lakh and 3 per cent, if it exceeds Rs. 1 lakh will be levied on plans and estimates for water-supply and drainage schemes which are not executed but are finally recorded or revised.

(v) for works done in the Public Works Workshops at Madras, Bezwada and Dowlaishwarm—

The percentages are fixed separately for establishment including accounts and audit, tools and plant, repairs and carriage and depreciation, interest on capital and depreciation of it buildings and pension and are revised periodically by Government in consufation with the Accountant-General, the rates being based on the proportion which the actual charges under the above heads bear to the value of work done in the workshops.

(vi) for Archaeological and Central Civil Works and work done for the Military Engineer Services, and the Posts and Telegraphs Department (as a permatent arrangement with effect from 1st April 1930)—

		PER CENT
On the works outley,	for establishment	15
Do.	for pensionary charges	$2\frac{1}{2}$
Do.	for tools and plant, ordinary	$1\frac{1}{2}$

(vii) for works done by the concrete laboratory, the Physics and Soil Mechanic's office and Irrigation Research Station, Poondi, on behalf of Departments of Provincial Government, other Governments, Railways, States, private persons or bodies, actual proportionate cost of the establishment and tools and plant employed on the work and 5 per cent of the cost of establishment to cover supervision charges will be recovered.

NOTE 1.—In the case of work done for Military Engineer Services and Posts and Telegraphs an additional charge of 1 per cent on the works outlay should be levied for accounts and audit.

NOTE 2.—As regards charges for the preparation of plans and estimates by the Provincial Government in these cases. Plese see note 3 under rule 6 (iv) (a) above.

7. *Deleted.*

8. As an exeption to paragraph 6 (vi), the establishment charges on new supplies and repairs of barrack furniture of the Military Engineer Services is fixed at 10 per cent on the outlay.

9. The prescribed percentages can be remitted, with the sanction of the local Government in the case of non-Government works costing less than Rs. 1,000. The remission of charge is not permissible in other cases, and such aid as it may be desired to give to a local body in the construction of a work in which it is usually given separately in the form of a cash grant-in-aid.

10. The percentages referred to in paragraphs 6 and 8 are leviable on the actual outlay booked in the accounts, i.e., on the net outlay in case there are any refunds or writes-back except in the cases mentioned in Note 3 under rule 6 (iv) (a). No item of expenditure should be excluded from the levy on the plea that it involved little or no departmental supervision, etc., but the prescribed percentage charges for tools and plants should not be levied in the case of non-Government works on which tools and plant of the department are not used.

NOTE.—Under this rule, even the cost of land acquired through the Civil Department is not exempt when it is adjusted in the divisional accounts as part of the cost of non-Government work; but if the estimate for the work does not include the cost of the acquisition of the land and this cost is not passed through the Public Works accounts, no percentage charge is leviable on account of it.

11. Recoveries made in accordance with the rules in paragraphs 5, 6 and 8 to 10 should be classified as indicated in Statement E of Appendix 4, the adjustments being made in the accounts, of the Divisional Officer, whenever the cost of work done is adjusted by charge to the deposit remittance or other account concerned.

NOTE 1.—An additional charge of 1 per cent should be recovered in respect of worksof the classes referred to in item (b) excluding the Works of the Archaeological Department and in item (d) of paragraph 5 and adjusted as follows :—

The recoveries will be adjusted in the divisional accounts, those relating to works excuted on behalf of (1) private parties and (2) local bodies as revenue receipts under the minor head "Fees for Government Audit" subordinate to the Major head "XLVI. Miscellaneous—Central" and those relating to Railways and works executed for Military Engineer Services and the Posts and Telegraphs Department as reduction of expenditure under "26. Audit—Central."

NOTE 2.—In the case of work done in workshops of a *quasi* commercial character the percentage charges include this 1 per cent even in the case of jobs executed for other divisions or departments, both of the same province and of other provinces, but such recoveries should not be credited to "26. Audit or XLVI Miscellaneous —Fees for Government Audit" except in the cases referred to in rule 1 above.

12. Recoveries on account of services rendered by Special Officers other than Chief and Superintending Engineers, do not appear in the accounts of the Divisional Officer in cases in which there is no works expenditure, e.g., fees for advisory work. Such fees should be paid direct into the treasury, to be credited to the head of account which bears the cost of the establishment of the Special Officer concerned when the fees have been recovered from outside bodies or departments of the same Government, and to the corresponding Receipt or Capital head of expenditure in other cases (vide statement E of Appendix 4).

13. In case of large surveys for new projects of Irrigation, Navigation, Embankment and Drainage works, for which special establishment is entertained an addition of 5 per cent to the

cost of this establishment should be made in the Audit office to cover the supervision charges thereon.

In the case of (1) Irrigation Works for which special establishment chargeable to the concerned Irrigation head of account is employed, and (2) Famine Relief Works for which special establishment chargeable to " 54. A. Famine Relief" is employed, the Audit office should add to the cost of such establishment employed on these works, 2 *per cent* on the works outlay to cover the "Direction" charges. In the case of works in the partially excluded areas executed by establishment chargeable "50. Civil Works—Partially Excluded Areas" the Audit office should add to the cost of establishment employed on the works, 2 per cent of the works outlay to cover "Direction charges" on account of the Chief and Superintending Engineers and an additional 8 per of the works outlay for the services rendered by the Executive Engineers and Subdivisional officers in Supervising the works.

NOTE 1.—The percentage livied on workshop jobs on account of establishment, vide rule 9 (v), includes a provision of 1 per cent for "Audit." The recovery made on account of such portion of " Audit " as is not credited to " 26. Audit" or "XLVI. Miscellaneous fees for Government Audit" under rule, and under rule 11 above is deducted from the establishment charges before the pro rate distribution is made.

NOTE 2.—The recoveries for direction and supervision charges in respect of large surveys for new Irrigation Project, Navigation, Embankment and Drainage Works for which special establishment is employed and 2 per cent of the works outlay in the Scheduled Areas and 2 per cent of the works outlay under "54-A. Famine Relief" may be credited under the sud-head "50-e. Civil Works—Establishment—D, Superintending Engineers."

14. Thus, when the accounts of the year are about to be closed, the charges detailed below will represent the residual charges to be apportioned to the several classes of works executed in the year, other than those for which either percentage charges were levied under paragraphs 5 to 9 and 13 or Special establishment was employed (paragraph 3). This apportionment will then be made in the Audit office as indicated in paragraphs 15 to 17 (see also paragraph 7).

(i) Net charges booked under the minor head " Establishment,"
(ii) Net charges booked under the minor head " Tools and Plant,"
(iii) *Minus* the recoveries (on account of establishment, tools and plant charges) referred to in paragraph 13, whether credited to " recoveries of expenditure," or " receipts and recoveries on capital account,"
} under several major heads.

15. (*a*) The establishment charges to be distributed *pro rata* will be—

The sum of the residual establishment charges (vide paragraph 14 above) in each circle of superintendence (excluding, in the case of the Madras Circle, the cost of the establishment of the Public Works Workshops and Stores Divisions, Madras, which will be distributed over all circles).

Plus a share to the additional charges mentioned in the next sub-paragraph.
Minus the special charges mentioned in the last sub-paragraph of this clause.

NOTE.—The Electrical Engineer's Division shall be treated as a "circle" for purpose of this rule.

The additional charges, a share of which will be debited to each circle are—

(1) the cost of the Chief Engineers and the Consulting Architect and their establishments,

(2) the cost of other special officers if any, whose jurisdiction extends beyond a single circle of superintendence and their establishments.

(3) the cost of the establishment (including the General Superintendent and his staff) in the Public Works and Workshops and Stores Division, Madras.

Minus the percentage recoveries made under paragraph 6 above.

NOTE.—The expenditure on establishment included in the direct charges on works does not come under the above rule (vide also paragraphs 448 and 449).

(4) leave salaries paid in England (as booked under the detailed head "Establishment" of the minor head "Deduct English cost of stores and establishment subordinate to the several major heads").

The special charges that are to be deducted from the circle charges are—

(1) the special charges or establishments adjusted separately under paragradh 3 in each circle.

(2) the amount (on account of establishment charges) calculated at 2 annas per acre irrigated in the case of all irrigation works for which capital and revenue accounts are kept and at half per cent of the capital value of all provincial buildings, the mean of the figures at the beginning and end of each year being taken.

(*b*) The tools and plant charges to be distributed *pro rata* will by the sum of the residual charges (vide paragraph 14 above) in each circle (excluding the charges booked under the major head " 54. Famine—A, Famine Relief " and excluding also in the case of the Madras Circle the cost of the tools and plant in the Public Works Workshops and Stores Divisions, Madras).

Plus a share of the following additional charges :—

(1) the cost of the tools and plant in the Public Works Workshops Division Madras, *minus* the percentage recoveries made under paragraph 6 above.

(2) the cost of the tools and plant in the Public Works Stores Division, Madras, other than the tools and plant held in stock for distribution to other divisions [see exception under paragraph 110 (*b*) of this Code].

NOTE.—The expenditure on the cost of special tools and plant charged direct to works does not come under the above rule (vide also paragraphs 448 and 449)

The Electrical Division shall be treated as a circle for purposes of this rule. In distributing the additional charges mentioned above among the several circles, the Electrical Engineer's Division should be debited only with a proportion which the works outlay of that

division bears to the works outlay of the whole province and the balance distributed equally among the regular circules,

16. The *pro rata* distribution of the establishment or tools and plant charges, determined under the rules in paragraph 15 should be made thus—

I. *For purely irrigation or mixed irrigation and Civil Works circles of superintendence*—

(*a*) The divisible establishment or tools and plant charges of each circle should be divided among the several major heads operated on (paragraph 14) in proportion to the works expenditure under each head.

(*b*) No items of works expenditure recorded finally under the major head concerned should be excluded.

II. *For circles of superintendence in which the only work executed falls under the Civil Works branch of the Department*—

(*a*) The divisible establishment or tools and plant charges in all the circles combined should be distributed *pro rata* over the various major heads concerned paragraph (14) on the basis of the works expenditure in all the circles combined.

(*b*) No items of works expenditure recorded finally under the major head concerned should be excluded.

NOTE.—The debit to "50 Civil Works" under this rule should be again distributed *pro rata* between "50. Civil Works—Provincial" and "50. Civil Works—Central."

III. The amount calculated as 2 annas per acre [vide clause (2) in the last sub-paragraph of paragraph 15 (*a*) should be debited to "XVII. Working Expenses", and the amount calculated at ¾ per cent of the capital value of provincial buildings should be debited to "50. Civil Works—Provincial".

IV. (*a*) if a purely Irrigation or mixed Irrigation and Civil Works circle of superintendence consists of divisions with largely varying conditions of work and the local Government is satisfied that the adoptation of the circle as the unit of distribution, will in a series of years, result ultimately in a disproportionate charge to the administrative accounts of one or more important Irrigation, Navigation, Embankment or Drainage projects under construction in one or more divisions of the circle, it may order those divisions, collectively or severally to be treated as a separate units or unit or units of distribution and the remaining divisions of the circle as another unit.

(*b*) if this course is adopted, the annual *pro rata* distribution of the establishment and tools and plant charges relating to each unit, should be made as in clause I above, with the exception that the establishment charges to be distributed should be determined as follows:—

(i) Take the total establishment charges in each unit.

(ii) *Add* to this a share of the establishment of the Chief Engineers and Special Officers, and of leave salaries paid in England, calculated thus—

First determine the share chargeable to the entire circle of superintendence under paragraph 15 (*a*) without making the deductions mentioned therein. Divide this among the units making up the circle, in proportion to the works expenditure under each head, as in caluse I of this paragraph.

(iii) Then *deduct* the special and percentage charges for establishments adjusted separately under paragraphs 3 and 5 to 12 in each unit.

(*c*) Orders passed by the local Government under sub-clause, (*a*) above will ordinarily cease to be operative on the expiry of the third year subsequent to that in which the construct-tion estimates of the projects whose interests it was sought to protect, were closed, unless an earlier date has been fixed by the local Government.

17. *Deleted.*

18. The apportionment should not be carried further in the regular accounts but in the *pro forma* (Administrative) accounts of individual productive or unproductive projects or irrigation, Navigation, Embankment and Drainage Works preparred annually by the Accountant-General, suitable additions to the outlay on the projects should be made to cover the cost of establishment and ordinary tools and plant. On the basis of the figure of the establishment for (tools and plant) charges in each circle, or other unit of distribution as finally booked under the major head concerned, should be determined the percentage (to 4 places of decimals) which that figure bears to the total works outlay finally booked under that head in the unit concernad. The establishment (or tools and plant) charge on account of each project under that head should then be calculated by multiplying the works outlay on the project by this percentage.

NOTE.—In the Administrative accounts or Irrigation, Navigation Embankment and Drainage Works. an indirect charge of 1 per cent on account of audit and accounts establishment should be levied on the works expenditure of the year.

19. For purposes of audit, or of allotment of funds, it is not necessary to include in the estimates for individual works, any provision on account of establishment and tools and plant charges, unless percentage charges are leviable under the rules, on actual work expenditure and are adjusted monthly (vide rule 2 under paragraph 558 of this Code for Central Civil and Archaeological Works and works relating to the Post and Telegraph Department and Military Engineering Services). See also paragraph 285 of this Code. For administrative purposes such provision is, however, made in the project estimates of irrigation works for which Capital and Revenue Accounts are kept and of any others of which it is desirable to forecast the ultimate financial results.

APPENDIX 8.

(See Chapter IV, paragraph 92-A.)

Notes of Inspection of the Accounts Records of the Subdivisional Officer.

SUBDIVISION.

Date of last inspection.

By Executive Engineer.

By Divisional Accountant.

Date of present inspection.

Submitted to the Divisional Officer for orders.

Accountant.

Division.

Part I.

I.—Cash Book.

(1) Is there a cashier in charge of subdivision cash chest? If not in whose charge is the cash kept?

(2) Compare the entries in the cash book with those in the cash extract submitted to Division Office and note any differences.

(3) See that private cash or accounts of members of the department are not mixed up with the public cash or accounts—paragraphs 130 and 134.

(4) Are the rules in paragraphs 144 and 145, regarding cheques cancelled and renewed properly observed?

(5) See whether cheques are irregularly deposited in the cash chest at the close of the year—vide Rule 1 under paragraph 152.

II.—Imprest Account.

(1) How often or the imprest accounts closed and are they promptly re-couped by the Subdivisional Officer?

(2) Are the entries in the original imprest accounts free from erasures or interpolations and are corrections properly made and attested by the imprest holders?

(3) Examine the original imprest accounts generally from date of last inspection and compare the entries for a month with those in the accounts submitted to Division Officer.

(4) Are works Establishment rolls and Nominal Muster Rolls for amount in exces of Rs. 25 passed for payment by Subdivisional officers invariably paid from temporary advances (paragraph 172)? If not, specify cases and ascertain reasons for departure from the Code rule.

III.—Nominal Muster Rolls.

(1) Are the muster rolls submitted every month to Division Office along with the other vouchers for audit? If not, those relating to a month should be completly checked to see that—

(*a*) the calculations are correct.

(*b*) corrections, if, any, are properly made and attested.

(*c*) they are signed by the officer maintaining them.

(*d*) They are periodically checked by the officer in charge of the work (when he is not the officer, who maintained the muster); or by any superior officer.

(*e*) the precent and absent marks are made in ink and not in pencil and pencil marks, if any, are not inked over subsequently—Note under paragraph 291 (*a*).

(*f*) measurements are taken wherever possible and reference to measurement book and details of work done are given in part III, paragraph 291 (*g*).

(*g*) the charge is in order and the rates paid to labourers and the rates for items of works noted in Part III are not in excess of the schedule rates of the subdivision.

(*h*) they are pre-audited and passed by the Subdivisional Officer before payment except in the few cases in which the enforcement of the rule would result in objectionable delay in payment of labour—Note under paragraph 591 (*d*).

(*i*) the labourers are paid without delay and payments are made and attested by the officer of the highest standing available—paragraph 201 (*d*).

(*j*) unpaid wages are correctly brough forward into Part II and shown as such in the work abstract—paragraph 291 (*e*).

(*k*) names of monthly paid members of work establishment are not included in the nominal muster rolls.

(*l*) nominal muster rolls exist in the Subdivisional office for all payments on muster rolls (including C.L.R. Form 22, P.W.D. VI-68) for the selected month and the accounts shown in the cash book and imprest accounts correctly represent the charges.

(2) What is the practice prevailing in the subdivision regarding payment of unpaid wages to labourers ? Are details of unpaid wages readily available and are the instructions in paragraph 291 (*c*) carefully observed ? Are there any longstanding items, and if so, what action has been taken by the Subdivisional Officer for their clearance ?

IV.—Measurement Books.

(1) Trace payments relating to petty vouchers into the books.

(2) Are dates of measurements invariably recorded in measurements books, measurements crossed off as soon as bills are passed for payment and voucher numbers noted and paid order signed by the disbursing officer soon after payment ? (Paragraph 309.)

(3) In the case of running accounts are backward and forward references given to previous and subsequent running accounts [paragraph 294 (*c*), (*d*)] ?

(4) In the case of cancelled measurements are reasons for cancellation recorded under the initials of the officer [paragraph 294 (*f*)] and in case of any corrections are they properly made and attested ?

(5) Are they any cases in which measurements have been taken by any unauthorized persons contrary to the provisions of paragraph 294 (*c*) ?

(6) Are measurements taken and recorded in measurement books as soon as articles are received and the quantities in bills when received verified with these entries or are measurements recorded in the books on receipt of bills ?

(7) Note any measurement books missing and action taken by the Subdivisional Officer, Has their write-off been sanctioned by Superintending Engineer ?

(8) Are acknowledgments taken from the responsible persons whenever books change hands? (Note under paragraph 292 of the Madras P.W.D. Code.)

(9) Is the list of works to be check measured by the Subdivisional Officer maintained up to date in the Subdivisional office and submitted to the Subdivisional Officer every month ?

V.—Agreements.

(1) Where is the file of agreements kept, especially the originals of those sanctioned by the Subdivisional Officer ?

(2) Compare the particulars and rates in the office copies of agreements sanctioned by the Subdivisional Officer and sent to Division office with those in the originals filed in the subdivision in a few selected instances.

VI.—Contractors Accounts.

(1) In cases where lump-sum payments have been made to contractors without detailed measurements, how long are the items outstanding ?

(2) Check the issues in material accounts of minor and repairs works with the quantities as per receipts obtained from piece workers and sent to Division office and note any differences

VII.—Meterials at Site.

(1) Check completely one month's receipts and issues with references to entries in measurement books, transfer entry order (details should be available in adjustment book), musters rolls and copies of invoices of materials supplied by other divisions and from stock account and note any differences.

(2) What are the due dates for the submission of the accounts to Subdivision office by Section officers and are they punctually received on the due dates every month and are they systematically checked in the Subdivision office ? If vouchers are sent in batches to Division offices twice or thrice a month is necessary check exercised in the Subdivision office ?

VIII.—Cheque and Receipt Books.

(1) By whom are the cheques filled up? Compare the entries in the counterfoils of cheque books with those in the original cash book for any one month and record the result.

(2) Is any limit imposed by the Divisional Officer over the drawings of the Subdivisional Officer (paragraphs 138 and 143)? If so, is the amount shown on the reserve of the counterfoils of cheque books and balances worked out and undrawn balances at the end of the period left out without being carried forward?

(3) Do you notice any overdrawals, and if so, what is the explanation of the Subdivisional Officer?

(4) In cases where counterfoils of completed receipt books have been permitted to be finally recorded in the Subdivision office, are they carefully filed and where, and are they destroyed when over ten years old?

(5) Are the numbers of the temporary and the permanent receipts, together with the dotes of issue thereof, entered in the prescribed columns of the cash book? Vide note (1) under paragraph 148 of this Code.

(6) Are the counterfoils of temporary receipt books carefully filed and are they destroyed when over five years old?

IX.—Register of Sanctioned Estimates.

Is a register of sanctioned estimates maintained and is it posted up to date quoting authority for sanction?

X.—Indents for Stores.

(1) Are stores ordered by the Subdivisional Officer direct or obtained through the Executive Engineer? If ordered direct by the Subdivisional Officer, how is the regulation of grants watched in the Divisional office?

(2) Are invoices noted on the back of respective counterfoils of indents and payments also similarly noted? when adjusted?

XI.—Work-charged Establishments.

(1) Is register of unpaid wages of work establishment maintained (paragraph 318)? Are the entries attested by the Subdivisional Office; and are notes of payments subsequently made recorded against the original entries and attested by the Subdivisional Officer?

(2) Note longstanding arrears and action taken by the Subdivisional Officer for their clearance.

XII.—Revenue.

(1) In cases where navigation receipts (wharfage and six week's licences of boats, etc.) are accounted for in subdivision cash books, check the lock or wharf Superintendent's cash accouts with the licences and see whether the remittances are promptly made by Superintendents and the amounts correctly accounted for in subdivision cash books.

NOTE.—The divisional accountant will test check the entries in the lock and wharf traffic registers during his subdivisional inspection comparing them with the entries in the counterfoils of wharf tickets and bring to notice cases of omission to levy fees.

(2) Where berms are available for occupation, are list of such berms available for rent maintained in the Subdivision? Are rents recovered in advance? (Note any outstandings still due and action taken by the Subdivisional Officer.)

(3) What other rents or revenue recoverable directly by the Subdivisional Officer are more than one month overdue and what steps have been taken for their recovery?

The Divisional Accountant while inspecting the subdivision office should call for the section and subdivision miscellaneous properties registers and see if the certificates as prescribed in the Chief Engineer's Memorandum No. 4162 Ac./41-CP., dated 23rd October 1942, are complete.

(4) Are the monthly statements of revenue collected and remitted by section officers, prescribed in note (3) to paragraph 148 of this Code, promptly received and verified by subdivisional officers.

(5) Whether in cases of rents and revenue after the due dates, interest as stipulated in the gruements have been collected

(6) (i) Examine toll cash accounts generally from last inspection and compare the entries in respect of any one month selected by the Executive Engineer in the counterfoils or wharf accounts with those of the foils received in the Division office and note any unauthorized corrections.

(ii) Compare the entries in respect of any one month selected by the Executive Engineer in the surrendered annual licences with those in the counterfoils of licence books noting any discrepancies between the amounts realized and credited.

NOTE.—During the period of cio u e wh n no licences ae issued the counterfoils of the licence books will be obtained and checked in the Division office by the Divisional Accountant.

Executive instructions to be observed in the issue and accounting of licence fees.

Geeneral.—(1) Licence should be written up by double-sided carbon process. Licence books should be bound in volumes the forms being interleaved with perforated edge to enable easy detachment, the original, duplicate and triplicate being arranged one below the other, and not alongside.

(2) Licence numbers should be printed boldly in the body of the licence alongside the space allotted for noting punishments, etc.

(3) Distinguishing letters like G.W. (Godavari Western), G.H. (Godavari Headworks), K.C. (Krishna Central), B.C. (Buckingham Canal) indicating divisions should be noted under the licence.

XIII.—Monthly Accounts and Returns.

(1) Are the cash and store accounts of the subdivision closed ou ths dates fixed for the purpose. and copies of cash extracts with vouchers despatched to the Division office within a day of the date of closing ?

(2) Are the store and other monthly accounts of the Subdivision despatched to Division office within three days after closing the cash book—paragraph 534 ? If not, why not, and what Steps have been taken by the Subdivisional Officer to avoid such delays ;

(3) What are the dates prescribed for the submission of half-yearly stock registers and balance returns of T. and P. to Divisiou office, aud are these submitted on the due dates ?

XIV.—General.

State any defects and procedure, if any, noticed during inspection. Were they personally explained and necessary instructions imparted to the Subdivisional Officer and his staff? (Paragraph 92.)

Part I—A

NOTE.—These questions are special to the workshop subdivisions and are supplementary to those found in Part I under the relevant headings.

I.—Nominal Muster Roll Registers.

(1) Is a register of wages of workmen maintained in the subdivision ?

(2) Are increments to workmen gtanted by competent authority and are they in order ? Check at last 50 per cent of the cases.

(3) Has the charge on each job in a month been properly allocated in Public Works Department V-68 (Labour Abstract) ? A few cases should be examined.

NOTE.—These do not apply to workshop subdivisions of Kistna Central Division as nominal muster rolls are sent to the Division Office every month for check.

II.—Time Cards.

(1) Are time cards maintained for each job and are they filed carefully ?

(2) Does the total labour noted in the time cards for each day tally with the total numbers marked in the nominal muster roll register ?

(3) Is progressive total of labour engaged noted on each time card ?

Is the provision made in the sanctioned work-order also noted on each time card for guidance ?

(4) Is timely action taken to revise the work order as soon as the provisions in the work, order estimate is likely to be exceeded during actual execution ?

(5) Is there evidence to show that the outturn is checked with the time cards for each job under the general supervision of the Junior Superintendent ?

III.—Allocated Abstract of Labour.

(1) Do the posting in this abstract agree with the relevent time cards and nominal muster rolls for that date ? Check a few cases. Does the daily total of this abstract agree with the total of nominal muster rolls for that date ?

(2) Does the monthly total of the abstract for eaah job tally with the total of the time-card and has it been correctly posted in column 6 of P.W.D. IV-34 sent to Division office ?

(3) Does the monthly total of the abstract for all jobs agree with the total of the nominal muster rolls and tima cards for the month ?

(These do not apply to the Workshop subdivision attached to Kistna Central Division whero the abstract is subjected to detailed check in the Division office).

IV.—Allocated Abstract of Material.

(1) Do the postings in this abstract agree with the details in the copies of the indent forms (returned by the stores section after compliance) filed in the workshops ?

(2) Does the total of the abstract for each job tally with the value of the indent complied with by the Public Works Stores and has it been carefully posted in column 7 of P.W.D. IV-34 sent to Division office ?

V.—Work Order Estimates and Work Order Files.

(1) In respect of each item in the register of jobs, is there a properly deteiled work order ?

Are the details furnished to the workshops, draughtsman by the workshop foreman assisted by the head maistry adequate ? Are the materials required for the jobs priced at the current stock issue rate in consultation with the Divisional Store-keeper ? Are the work orderr prepared by the draughtsman carefully scrutinized by the Junior Superintendent ? Is the approval of the indenting officer obtained in respect of all jobs estimated to cost more than provision made in the indent ?

(2) Are the signatures of the pieceworkers obtained in the estimates ? In cases where the works are not finished in time is the penal clause, viz., forfeiture of 5 per cent of the amount per day strictly enforced ?

(3) Are payment made to pieceworkers noted in the estimates from time to time ? Check a few items with the relevant vouchers for payments.

(4) Is timely action taken to revise the work order estimates as soon as the excess is anticipated ? When work order estimates are revised, are reasons explaining the necessity for the revision placed on record ?

(5) Are work order files maintained properly ?

(6) Are particulars regarding name of work, head of account and sud-head, if any, clearly noted against each work order ?

(7) Are there any cases of delay over a month in preparing work order estimates ? What is the delay due to ?

(8) Are there any cases in which plans and estimates are prepared in the subdivisions for works, which have not been eventually placed on the shops ? If there be any , have charges been collected from the parties ?

Are there any jobs completed, the accounts of which have not been closed for more ihan three months ?

(9) Are private jobs undertaken under proper authority ?

(10) Are applications from private persons accompanied by a deposit of Rs. 10 or one-fifth of the cost as estimated by the Junior Superintendent whichever is less ?

(11) Are agreements obtained from the private parties to the effect that, if they fail to remit the entire cost of jobs including general (ndirect or other charges), within two weeks of the intimation thereof to the party by the Junior Superintendent, tha deposit would be forfeited to Government ?

(12) Is the full cost of the private job collected before the execution of the job is put on hand ?

VI.—Register of Jobs.

(1) Is expenditure incurred on the job noted seriatum with the concerned voucher number in the column set apart for the purpose ?

(2) Are remarks about the progress of the job during the month entered briefly by the workshops foreman on the 1st of the succeeding month and countersigned by the Junior Superintendent before 5th ?

(3) Are the entries in the job register frequently examined by the workshops foreman ?

(4) Has the workshops foreman as soon as he has reason to suspect that the amount of the work order likely to be exceeded, applied to the Junior Superintandent for orders through his order book with the following detailes :—

(i) Job number ?

(ii) Description of work portion yet to be done ?

(iii) Probable excess ?

NOTE.—Failure in this respect should be prominently brought to the notice of the Division Officer.

(5) Are adequate steps taken promptly to revise the job in consultation with the indenting officer ?

VII.—Transfer Entry Book.

(a) Is the book posted up to date ?

(b) Are reasons explaining the necessity for the adjustments recorded against each entry ?

(c) Is the number of adjustments due to wrons allocation reduced since last inspection and have steps been taken to avoid numerous adjustments ?

VIII.—Register of Jobs of Floating Plant.

(a) Is there a distribution statement of the lump sums fixed on five years' basis and is being adhered to ?

(b) If the amount set apart for each vessel noted in the Register of Jobs and the expenditure watched ?

(c) Arethere any cases of deviations from the sanctioned figures without the sanction of th e Executive Engineer ?

IX—Indents and Warrants.

(a) Is a Register of Indents (P.W.D. IV-104) maintained in the Public Works Stores properly?

(b) (i) Are the indents in P·W.D. VI-11 or P.W.D. IV-38 (Special for workshops) as the case may be signed by the competent authority ?

(ii) Are these passed by Junior Supritendent, Workshops. before they are complied with?

(iii) Are certificates of non-availability of materials recorded by the concerned maistries wherever necessary ?

(c) Are particulars regarding the name of work, head of account and the particulars sub-head to which the indent relates invariably noted against each indent ?

(d) Are the indents complied with promptly ?

(e) Is the Register of indents on Public Work Stores scrutinized by Superintendent, Work shops, every week ?

(f) Are the acknowledged warrants pasted to the counterfoils ?

(g) Are there eorrections in the acknowledged warrants either in the quantities advised or name of work; head of account or sub-head originally noted and if so, has necessary action been taken in such cases to set right errors by transfer entry orders promptly ?

(h) Are the rates adopted for the valuation of the complied with indents in accordance with the stock issue rates ?

(i) In the case of materials issued to contractors has reference to the pieceworkers un-stamped receipts been noted on each indent ?

(j) Have the materials been valued as per rates noted in the schedule attached to the sanctioned agreements ?

(k) Are the complied with indents valued, abstracted, posted in the relevant registers and submitted to Subdivisional Officer every day promptly ?

(l) Are indents for materials prepared in accordence with the provisions in the work order and countersigned by the Junior Superintendent after cereful scrutiny ?

(m) Is a certificate furnished on the indents by the workshops foreman that no materials can be usefully utilized from scrap for the job ?

(n) When materials of the exact quantities or sizes required are not available in stores, have the excess quantities drawn been noted separately and such excess quantities returned to the Divisional Store-kepper on completion of the job and his initials obtained in the Stores copy of indent as well as in subdivision copy ?

X.—Register of Stock Receipts and Issues (P.W.D. VI·4).

(a) Are the daily transactions posted up to date ?

(b) Are the rates adopted in the case of issues in accordance with the steck issue rates ?

(c) Is centage levied in the case of issue to private persons ?

(d) Are there any appreciable fluctuations in the market rates during the year and in how many cases have proposals been sent for the revision of the stock issue rates as required under the Madras Public Works Account Code since last inspection ?

XI—Receipts, Issues and Balance Register of Stock (P.W.D. IV–72).

Quantity Ledgers.

(a) Are transactions posted into the ledgers promptly from the daily abstracts of the Receipts and Issues ?

(b) Are the monthly totals correctly transcribed into the yearly Register of Stock ?

(c) Is there any unserviceable stock and if so, what steps are taken to dispose of the same ?

(d) Are there any items of stocks in excess of requirements outstanding for more than one year Why were they obtained in the first instance and what steps are taken to dispose of the same ?

(e) Is permission of the Executive Engineer obtained invariably before taking the surplus articles of other divisions into stock ?

XII.—Register of Tools and Plant Receipts and Issues (P.W.D. VI-4).

(a) Are the transactions posted up to date ?

(b) Is hire on heavy plant and machinery levied correctly and promptly as per paragraph 340, Madras Public Works Department Code ?

(This does not apply to the Kistna Central Division as hire register of tools and plant is audited in the Division office.)

XIII.—Log books of steamers, etc.

(a) Are the Register submitted to Junior Superintendent, Workshops, promptly for scrutiny ?

(b) Is the actual consumption in excess of the data fixed in any of the cases and if so have reasons been placed on record justifying the necessity for exceeding the standard data ?

(c) When was the datum fixed ? Is a copy of the data passed to the log book ?

(d) Are there any cases in which the steamers, launches, etc., have been used by Government officers other than those travelling on duty and have the prescribed charges been collected in such cases ?

XIV.—Way book of steamers.

Are these books submitted to the Junior Suprintendent, workshops, regularly and are they checked in the sub-division office with Duty Steamer bills ?

XV.—Register showing the working of Punts.

(1) Is the register submitted to the Junior Superintendent, workshops, every month along with the hire bills and are the latter checked with the registers ?

(2) Check a few bills for the hire of punts and see whether the period noted therein agrees with that recorded in this register.

NOTE.—These do not apply to the workshops in the Kistna Central Division as punt hire statement are prepared and adjusted in the Division office

XVI.—General.

(a) Have date been observed by the Junior Suprintendent, workshops, for different operations during the course of manufacture and is the detail data book maintained property ?

(b) Have any private jobs been executed without the prior sanction of the Executive Engineer and in anticipation of recovery of the estimated amount ? Are necessary agreements taken before the work orders are put in hand ?

(c) Are all indents placed on the Public Workshops invariably signed by the Executive Engineers concerned ?

Part II

NOTE.—*Before taking up on inspections, the Divisonal Accountant will obtain the orders in writing from the Executive Engineer whether he or the Executive Engineer will go into the matters included in this part.*

In either case, the report will be available for the Inspection of the Accountant General.

I.—Cash Book.

(1) Are cheques paid direct by Subdivisional officers or through subordinates on the responsibility of Subdivisional officers ? If latter, is any record maintained of the transactions and acknowledgment of piece-workers obtained for cheques delivered ? (Paragraph 152).

(2) How is cash remitted to section officers when imprests are recouped. and what is the amount of cash usually sent ?

(3) Are the entries in cash book frequedtly checked by Subdivisional Officer and is the cash book examined frequently by the Subdivisional Officer when at headquarters ? Check the cash book w th reference to some of the vouchers on hand (current month) and see whether the instructions in paragraph 165 are followed by the Subdivisional Officer.

II.—Imprest Accounts.

State whether the accounts of imprests given to subordinates are equal to or in excess of requirements.

III.—Agreements.

Deleted.

IV.—Accounts of Works.

(1) Are there any works on which there has been no outlay for more than six months and what is the delay in execution due to ?

(2) Are there any works the estimates for which were sanctioned more than one year ago and not yet started ? What is the delay due to ?

(3) See whether reports of works proposed to be started without sanction to estimates or adequate provision of funds (Madras Public Works Department Code, paragraph 77) are promptly sent to the Executive Engineer for report to the Audit Officer.

V.—Surplus Stores.

(1) What is the total value of surplus stores on the date of inspection compared with that at the time of previous inspection (or at end of previous year) ? If there is any increase in the number of items or value, what is it mainly due to ?

(2) Are there orders of the Executive Engineer or higher authority for all new additions to the list during the year ? It should be specially seen during inspection that materials *are not obtained unnecessarily or in excess of the requirements for minor and repair works* (the material accounts of which are filed in subdivisional Office) and subsequently transferred to the surplus list.

(3) Check the issues from surplus stores lists with reference to the transfer entry orders.

(4) Are any articles which are likely to deteriorate included in the surplus list ?

(5) Were the articles as per lists verified at any time during the year and if so, with what result ?

VI.—Materials at site.

(1) Are the balances of materials at site efficient and certain to be required on words ?

(2) Are there any materials ot site of completed words included those transferred to surplus list from completed words ? If so, what are the circumstances under which they became surplus ? Note instances where they were obtained in excess of requirments or in advance of requirments and become surplus owing to any change in design, etc.

(3) Are there any cases where surplus materials brought to site by contractors were taken over by Government (paragraph 333), for use on the same or other work, and are any of these outstanding in the materials account on the date of inspection and if so, how long ? State the circumstances under the which they were not used on works and how they are proposed to be disposed of.

(4) Prepare a list of materials on which there have been no transactions for over six months nd give reasons, if any, for obtaining them in advance of requirments.

VII.—Indents of Stores.

(1) By whom are indents for stores prepared and are they carefully checked by the Subdivisional Officer before they are passed on to the Executive Engineer or sent for compliance ?

(2) Are lists of surplus stores consulted by the Subdivisional Officer before articles are indented for ? Scrutinize the corrections of indents in a few selected instances with reference to the estimates, etc., and note any cases *where materials in excess of estimated requirements are available in the subdivision or other* subdivision in the division have been indented for on other divisions, departments, etc. ?

VIII.—Travelling Allowance Bills.

Check a few monthly travelling allowance bills with measurement books to see whether the officers were on the workspots on the dates noted in the bills and note any irregularities.

IX.—Expenditure on Works on account of Petty Supervision and Contingencies.

Examine those works on which the expenditure on account of works establishment and contingencies together exceed 5 per cent of works outlay and obtain as explanation as to the reasonableness of the extra expenditure. [Madras Public Works Department Code, 117.]

X.—Transfer of Charge.

Have the rules in paragraph 360—365 of the Madras Public Works Department Code regarding transfers of charge been observed correctly ?

XI.—General.

Have all the subdivision registers which are not required to be sent periodically to the Division Office for scrutiny such as, register of library books, been verified and found to be correctly maintained and kept up to date.

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This index deals with the rules in the several chapters and does not cover the appendices except Appendix 4-C, It has been compiled solely for the purpose of references and no expresion used in it should be considered as in any way interpreting the rules.

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MEMORANDUM SHOWING THE RELATION BETWEEN THE RULES IN THE MADRAS PUBLIC WORKS ACCOUNT CODE WITH THOSE IN THE PUBLIC WORKS ACCOUNT CODE ISSUED BY THE AUDITOR-GENERAL, WORKS AUDIT DEPARTMENT MANUAL, ETC.

The rules in this Code may be amended by the authorities specified in column (3) of the Memorandum provided they are not repugnant to any of the provisions of the Government of India Act, the Devolution Rules, the Fundamental Rules, the Audit Resolutions and other Statutory Rules and Orders issued by the Secretary of State or the Government of India. The Financial Rules may be altered only by or with the concurrence of the Finance Department. In interpreting the rules in this Code, it should not be assumed that they are mere compilations from the sources indicated in column (2) of this Memorandum, as the rules in column (1) contain such further modifications as Government may have deemed to fit to make with (the concurrence of the Accountant-General or Auditor-General in the case of accounts and audit rules) at the time of framing these rules.

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Work Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
Page XIV—Table of contents.	G.O. Ms. No. 1638, P.W. (General), dated 14th July 1936.	
	CHAPTER I.—EXTENT OF APPLICATION.	
1	Same as paragraph 1, Public Works Account Code.	The paragraph merely defines the scope of the Code.
	CHAPTER II.—DEFINITIONS.	
		All the "definitions" in this chapter have been defined for purposes of accounts and can be amended only on the authority of the Auditor-General.
2–32	Same as paragraphs 9–39, Public Works Account Code. The definition of "Advance payments" in paragraph 4 has been altered to include not only payments made under paragraph 313 but also those made under paragraph 303-C. G.Os. Nos. 1987 W., dated 8th July 1930, 2202 W., dated 29th August 1931, 1981 W., dated 10th September 1934, Ms. 2058, P.W., dated 1st September 1936 and Ms. 1638, P.W. (General), dated 14th July 1936.	
33	Same as paragraph 40, Public Works Account Code, with the instruction of the words "or adjusted" after the word "paid" to bring out the intention of the rule in full. G.O. No. 2209 W., dated 29th September 1927.	
34	Same as paragraph 41 with slight verbal changes to suit Madras. G.O. No. 2209 W., dated 29th September 1927.	
35	Same as paragraph 42, Public Works Account Code.	
36 and 39 ..	Same as paragraphs 43 and 46, Public Works Account Code. The note under these paragraphs reproduces the orders of the Government of India communicated with G.Os. Nos. 1430 W., dated 12th September 1925, 2209 W., dated 29th September 1927 and Ms. 1638, P.W. (General), dated 14th July 1936.	
37 and 38 ..	Same as paragraphs 44 and 45, Public Works Account Code.	
40–44	Same as paragraphs 47–51, Public Works Account Code. G.O. No. 1987 W., dated 8th July 1930.	
45–47	Same as paragraphs 53–55, Public Works Account Code.	
48–50	Same as paragraphs 57–59, Public Works Account Code.	
51	Same as paragraph 60, Public Works Account Code. A note has been inserted to make the definition clear	

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
52–57	Same as paragraphs 61–66, Public Works Account Code. G.Os. Nos. 2209 W., dated 29th September 1927 and 1981 W., dated 10th September 1934.	
58–70	Same as paragraphs 68–80, Public Works Account Code. The Northern India Canal Act definition of water-course in paragraphs 78 of the Public Works Account Code has been omitted. G.Os. Nos. 1907 W., dated 29th July 1931, 2911 W., dated 20th November 1931, 107 I., dated 10th January 1934 and Ms. 1638, P.W. (General), dated 14th July 1936.	

CHAPTER III.—GENERAL OUTLINES OF SYSTEM OF ACCOUNTS.

		The rules in this chapter and in Chapter IV pertain to accounts and audit and can be amended only on the authority of the Auditor-General.
71	Same as paragraph 81, Public Works Account Code, with the reference to Appendix 12, M.F. & A.C., Volume II, replaced by the corresponding paragraphs in the new Madras Public Works Department Code.	
71-A	G.O. No. 2209 W., dated 29th September 1927.	
72–76	Same as paragraphs 82–86, Public Works Account Code, G.Os. Nos. 3180 W., dated 11th September 1930 and 2911 W., dated 20th November 1931.	
77	Same as paragraph 87, Public Works Account Code, deleting rule 2 thereunder which has no reference to Madras.	
78	Same as paragraph 88, Public Works Account Code, with slight verbal changes.	
79 and 80 ..	Same as paragraphs 89–90, Public Works Account Code. G.Os. Nos. 2209 W., dated 29th September 1927, 3296 W., dated 13th November 1929 and 2391 W., dated 15th November 1932.	
81	Same as paragraph 91, Public Works Account Code, with the note under the paragraph slightly amended to make it applicable to Madras. In Madras, the Public Works Department is also concerned with "European cemeteries." G.O. No. 3180 W., dated 11th September 1930.	
82	Same as paragraph 92, Public Works Account Code. G.O. No. 1907 W., dated 29th July 1931.	
83	Same as paragraph 93, Public Works Account Code, slightly amended to suit Madras. *Clause* (*d*) has been made clear to indicate (i) that the receipts pertaining to works for which *pro forma* accounts have to be kept appear also in divisional accounts only to the extent the Divisional Officer is responsible for realizing and accounting for the same and (ii) that there are no irrigation works in Madras for which revenue accounts alone are kept. *Clause* (*f*) of the old paragraph has been deleted as there are no military treasure chests in Madras.	
84	Same as paragraph 94, Public Works Account Code.	

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
	CHAPTER IV—RELATIONS WITH AUDIT.	
85–90	Same as paragraphs 95–100, Public Works Account Code. G.O. No. 3296 W., dated 13th November 1929.	See remarks on Chapter III.
91	*Clauses (a) and (b).*—Same as paragraph 101, Public Works Account Code. *Clause* (c) is now based on G.O. No. 1404 W., dated 9th September 1925. As the Accountant-General does not audit the expenditure on petty works individually, the duty of watching and regularizing expenditure without estimates or in excess of estimates on such works devolves on the Divisional Accountant. G.Os. Nos. 2209 W., dated 29th September 1927 and 492 W., dated 24th February 1931.	
92	Same as paragraph 102, Public Works Account Code, with the addition that the Divisional Accountant should inspect at the same time as the Divisional Officer, the accounts record of subdivisions. G.O. No. 1407 W., dated 9th May 1930.	
92-A	This is new and self-explanatory.	
93	Same as paragraph 103, Public Works Account Code.	
94	Same as paragraph 104, Public Works Account Code. A new sub-paragraph detailing the procedure in dealing with the reports of inspection of the accounts of divisional offices by the Accountant-General has been inserted embodying the orders in paragraph 161 of the Works Audit Department Manual and G.Os. Nos. 986 W., dated 9th July 1925 and 901 W., dated 18th March 1930.	
95	Same as paragraph 105, Public Works Account Code, with the second sub-paragraph of rule 3 relating to Viceregal estates deleted. G.Os. Nos. 2105 W., dated 26th September 1933, 402 W., dated 16th February 1934 and 934, P.W., dated 10th May 1938.	
96	Same as paragraph 106, Public Works Account Code.	
97	Is a new paragraph embodying paragraph 128 of the Works Audit Department Manual G.Os. Nos. 677 W., dated 10th March 1931, 1934 W., dated 30th July 1931, and 1910 W., dated 3rd October 1931. G.O. No. 4372, P.W., dated 26th October 1951.	
98–100	Same as paragraphs 107–109, Public Works Account Code. G.Os. Nos. 2209 W., dated 29th September 1927 and 250 W., dated 28th January 1930, and C.E.'s Memo. No. 3328 A.C./C.P., dated 12th November 1930 and G.O. No. 259, P.W., dated 29th January 1947.	
	CHAPTER V.—APPROPRIATIONS AND CONTROL OF EXPENDITURE.	
		Chapter V of the Public Works Account Code has been completely recast and amplified with reference to the scheme for the control of Public Works expenditure, introduced in G.O. No. 118, Finance, dated 6th February 1926. Paragraphs 116, 122, 123 and 126 are Auditor-General's rules while the rest are financial rules of the local Government. Paragraph 127 merely states facts.
101	Same as paragraph 110, Public Works Account Code. G.O. No. 421 W., dated 16th February 1931.	
102	Based on paragraph 111, Public Works Account Code, and deals with grants and their distribution.	

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India, Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
103	Same as paragraph 118, Public Works Account Code—G.O. No. 3296, W., dated 13th November 1929.	
104	This is a new paragraph detailing the procedure for the communication of grants—G.O. No. 118, Finance, dated 6th February 1926.	
105 *and* 106	Same as paragraphs 113 and 114, Public Works Account Code.	
107	G.O. No. 1907 W., dated 29th July 1931.	
108	G.O. No. 1514 I., dated 17th May 1929.	
109 *and* 110	Deal with the distribution of grants by the Chief and Superintending Engineers and Divisional Officers—G.O. No. 118, Finance, dated 6th February 1926.	
111–114	These lay down the duties of the Divisional Officer in the matter of watching the progress of expenditure in his division and of submitting monthly statements to Superintending Engineers. They codify the orders in G.Os. Nos. 118, Finance, dated 6th February 1926, 783 W., dated 6th March 1929, and 2596 W., dated 15th September 1930.	
115	Same as paragraph 123 (*c*) and (*d*), Public Works Account Code.	
116	Same as paragraph 125, Public Works Account Code.	
117 *and* 118	These paragraphs codify paragraph 12 of G.O. No. 118, Finance, dated 6th February 1926, and define the duties of the Chief and Superintending Engineers in the matter of controlling and reviewing the expenditure of the Presidency and Circle, respectively. The paragraphs have been modified with reference to G.Os. Nos. 1342 W., dated 2nd May 1930, and 2596 W., dated 15th September 1930.	
119	Self-explanatory.	
120 *and* 121	These paragraphs deal with the control of expenditure under " Grants-in-aid " and codify paragraph 14 of G.O. No. 118, Finance, dated 6th February 1926.	
122–124	Same as paragraphs 119–121, Public Works Account Code—G.Os. Nos. 2209 W., dated 29th September 1927, and 1907 W., dated 29th July 1931.	
125	Same as paragraph 124, Public Works Account Code.	
126	This paragraph deals with appropriation audit by the Accountant-General and codifies paragraph 115, Public Works Account Code, as amplified by G.Os. Nos. 118, Finance, dated 6th February 1926, 1346 W., dated 31st August 1925, and 74 W., dated 10th January 1928.	
127	This is self-explanatory and is in substitution of paragraph 117, Public Works Account Code—G.O. No. 1792 W., dated 16th August 1934.	

CHAPTER VI.—CASH.

128-130	Same as paragraphs 126–128, Public Works Account Code.	Paragraphs 128 130 are Auditor-General's rules (the latter merely repeats a principle embodied in Treasury Order No. 27) and paragraph 129 is a financial rule of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
131	Same as paragraph 129, Public Works Account Code, with the rule thereunder deleted as there are no military treasury chests in Madras.	This is subsidiary rule of the local Government issued under Treasury Order No. 16.
132	Same as paragraph 130, Public Works Account Code, with the note thereunder revised in accordance with the Madras practice—vide G.O. No. 220 W., dated 17th February 1919.	This main rule merely reproduces the principle in Treasury Order No. 7, while the note is a subsidiary rule of the local Government under Treasury Order No. 16.
133	Same as paragraph 131, Public Works Account Code.	This is a subsidiary rule of the local Government under Treasury Order No. 16. The note under this paragraph is covered by the definition of the term " Treasury " in the Treasury Orders.
134	Same as paragraph 132, Public Works Account Code, with the conditional clause in the first portion omitted as, in Madras, contingent bills are directly encashed at the treasury.	The portion of the rule relating to the obtaining of cash at treasuries is a subsidiary rule of the local Government under Treasury Order No. 16, while that relating to the treatment of undisbursed amounts is a financial rule of the local Government. The rules relating to accounting are Auditor-General's.
135 ..	Repeals the substance of paragraph 133, Public Works Account Code.	This is a subsidiary rule of the local Government issued under Treasury Order No. 16.
136	Same as paragraph 134, Public Works Account Code.	The first sentence of the paragraph is an Auditor-General's rule, while the second is a subsidiary rule of the local Government under Treasury Order No. 16.
137	Deleted—vide G.O. No. 2679 W., dated 14th November 1927.	
138	Same as paragraph 136, Public Works Account Code—G.O. No. 1114, P.W. (General), dated 8th May 1936.	The main paragraph and rules 2 and 3 thereunder are subsidiary rules of the local Government under Treasury Order No. 16 while rule 1 is a financial rule.
139	Same as paragraph 137, Public Works Account Code.	This is a financial rule of the local Government.
140 and 141 ..	Same as paragraphs 138 and 139, Public Works Account Code—G.O. No. 3296 W., dated 13th November 1929.	These are subsidiary rules issued by the local Government under Treasury Order No. 16.
142	Same as paragraph 140, Public Works Account Code.	This is covered by Treasury Order No. 25 and the definition in Treasury Order No. 2 (*d*).
143–145	Same as paragraphs 141–143, Public Works Account Code.	These are financial rules of the local Government.
146	Same as paragraph 144, Public Works Account Code, amplified to provide for cases when the officer signing the receipt is in camp—vide G.Os. Nos. 510 W., dated 21st April 1925, and 888, P.W. (General), dated 6th April 1936.	This is an Auditor-General's rule and can be amended only on his authority.
147	Same as paragraph 145, Public Works Account Code.	The first part is a financial rule of the local Government, but the portion relating to the maintenance of a cash book is an Auditor-General's rule.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
148	G.Os. Nos. 555 W., dated 11th March 1927, 2605 W., dated 29th November 1933, 442 W., dated 19th February 1935, 888, P.W. (General), dated 6th April 1936, Ms. 42, P.W. (General), dated 7th January 1937, Ms. 2166, P.W. (General), dated 15th September 1936, and 490, P.W., dated 25th February 1939.	-
149	Same as paragraph 147, Public Works Account Code—G.O. No. 411, P.W., dated 30th January 1951.	The first sentence of the rule repeats the principle in Treasury Order No. 7. The first portion of the second sentence relating to the temporary utilization of cash receipts modifies an exception to Treasury Order No. 7, authorized by the Governor-General in Council. The rest are subsidiary rules issued by the local Government under Treasury Order No. 9 (*a*) [and by the Governor-General in Council under Treasury Orders Nos. 9 (*b*) and (*c*) in regard to Central transactions and payments into the Bank]. The note under the paragraph is a financial rule of the local Government.
150	Repeats the substance of paragraph 148, Public Works Account Code.	This is a financial rule of the local Government.
151	Same as paragraph 149, Public Works Account Code.	The first portion of the rule relating to payments by Remittance Transfer Receipt is an Agency rule of the Governor-General in Council. The latter portion relating to remittance by money-order is a financial rule of the local Government.
152	Same as paragraph 150, Public Works Account Code.	This is a financial rule of the local Government.
152-A . ..	G.O. No. 1844 W., dated 25th August 1933.	-
153	This is a new paragraph based on paragraph 102, Works Audit Department Manual.	This is a financial rule of the local Government.
154–157	Same as paragraphs 151–154, Public Works Account Code—G.Os. Nos. 2209 W., dated 29th September 1927, No. 3201 W., dated 21st December 1931, 639 W., dated 12th March 1932 and 1844 W., dated 25th August 1933.	These rules, in so far as the relate to vouchers which are to be presented at treasuries are subsidiary rules issued by the local Government under Treasury Order No. 16. The remaining rules are financial rules of the local Government.
158 and 159 ..	These are now based on the note under paragraph 98 and paragraph 99, Works Audit Department Manual.	Do.
160	Same as paragraph 155, Public Works Account Code. The note under the paragraph reproduces the note under paragraph 94 of the Works Audit Department Manual—G.Os. Ms. Nos. 2058, P.W., dated 1st September 1936 and 1034, P.W., dated 22nd May 1940.	The portion of the paragraph relating to the maintenance of a cash book is an Auditor General's rule, while the rest relating to the remittance of cash to the treasury are subsidiary rules of the local Government issued under Treasury Order No. 9 (*a*) [and of the Governor-General in Council under Treasury Order No. 9 (*b*) in the case of Central transactions.] The rule under this paragraph dealing with remittances to a bank is subsidiary rule of the Governor-General in Council under Treasury Order No. 9 (*c*). The note under the paragraph as also an Auditor-General's rule.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
161–167	Same as paragraphs 156–162, Public Works Account Code. The note under paragraph 167 is based on note (2) under paragraph 67, Works Audit Department Manual.	These are Auditor-General's rules.
168	Based on paragraph 163, Public Works Account Code. In Madras, Divisional Officers only have been authorized to grant imprests to subordinates for making petty payments.	This is a financial rule of the local Government.
169	Same as paragraph 164, Public Works Account Code, with the first sentence revised in accordance with the Madras practice.	
170	Same as paragraph 165, Public Works Account Code. The note under the paragraph is taken from paragraph 127 (6) of the Works Audit Department Manual—G.Os. Nos. 2851 W., dated 30th November 1927, 1151 W., dated 27th April 1928, 782 W., dated 5th March 1929 and 27 W., dated 4th January 1930, and Chief Engineer's Memorandum No. 3328-A.C./C.P., dated 12th November 1930.	These are Auditor-General's rules. The note under paragraph 170 is a financial rule of the local Government.
171	Same as paragraph 166, Public Works Account Code.	This is a financial rule of the local Government.
172	Same as paragraph 167, Public Works Account Code. G.O. No. 1715 W., dated 11th June 1939, and Chief Engineer's Memorandum No. 3328 A.C./C.P., dated 12th November 1930—G.O. No. 2219, P.W., dated 28th May 1951.	Auditor-General.
173	Is in substitution of paragraph 168, Public Works Account Code, and based on G.Os. Nos. 38 W., dated 9th January 1926, 1776 W., dated 16th August 1927 and 10 W., dated 5th January 1931.	These are financial rules of the local Government.
174	Same as paragraph 169, Public Works Account Code—G.O. No. 1231 W., dated 10th September 1926.	
175	Same as paragraph 170, Public Works Account Code, and codifies Madras practice.	

CHAPTER VII.—STORES.

176	This is a prefatory paragraph introduced with the concurrence of the Accountant-General.	
177	Same as paragraph 171, Public Works Account Code.	This is an administrative order of the local Government.
178	Same as paragraph 172, Public Works Account Code.	This is a financial rule of the local Government
179	Same as paragraph 173, Public Works Account Code.	The first sentence relating to the record of receipts and issues of stores is an Auditor-General's rule, while the rest are financial rules of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
180 and 181 ..	Same as paragraphs 174 and 175, Public Works Account Code. The exception under paragraph 180 (*b*) is based on paragraphs 1 to 6 of Appendix 14 to the Works Audit Department Manual. G.O. No. 1012, Public Works, dated 20th May 1940.	These are Auditor-General's rules.
82	Same as paragraph 176, Public Works Account Code, without the "exceptions" referred to, as, with the introduction of the revised form of materials-at-site accounts (the modified form if the old 7 F), a numerical or quantity accounts of receipts, issues and balances has to be maintained for all stores.	Do.
183	Same as paragraph 177, Public Works Account Code.	This is a financial rule of the local Government.
184	Same as paragraph 178, Public Works Account Code.	Auditor-General.
185	Same as paragraph 179, Public Works Account Code, embodying the delegation made to Divisional Officers to authorize Subdivisional Officers to order receipt of materials to stock.	This is a financial rule of the local Government.
186 . ..	Same as paragraph 180, Public Works Account Code, embodying with the Accountant-General's concurrence the practice in vogue in Public Works Stores Division, Madras, for the record of detailed count or measurement of stores received in that division.	The rules in this paragraph which relate to the entry in the register of receipts and the grant of acknowledgments and certificates are Auditor-General's but the class of officers who should grant the receipts or give the certificates may be specified by the local Government. The first portion of the paragraph is a financial rule of the local Government.
187	Same as paragraph 181, Public Works Account Code, embodying the delegation made to the Divisional Officers to authorize Section Officers to issue materials from stock	This is a financial rule of the local Government.
188	Same as paragraph 182, Public Works Account Code.	Auditor-General.
189	Same as paragraph 183, Public Works Account Code.	This is a financial rule of the local Government except that portion which relates to the record of the issue of stores and the granting of the receipt which is an Auditor-General's rule.
190	Same as paragraph 184, Public Works Account Code.	Auditor-General.
191	Same as paragraph 186, Public Works Account Code. The note under rule I codifies the permission granted to the subdivisions at Bezwada and Dowleishwaram to maintain value accounts of their stock in view of their heavy transactions.	Do.
192–195	Same as paragraphs 187–190, Public-Works Account Code.	Auditor-General.
196	Same as paragraph 191, Public Works Account Code.	This is a financial rule of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Work Account Code (Government of India Edition of 1922). Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
197	Same as paragraph 122, Public Works Account Code.	The latter part of the paragraph about adjustment is an Auditor-General's rule. The rest are financial rules of the local Government.
198	Same as paragraph 193, Public Works Account Code. G.Os. No. 1475, W., dated 2nd June 1931, No. 2324, W., dated 26th October 1934 and Ms. No. 1638, P.W. (General), dated 14th July 1936.	This is a financial rule of the local Government.
199	Same as paragraph 194, Public Works Account Code. The note under the paragraph is based on G.O. No. 502, W., dated 17th April 1925.	Do.
200	Same as paragraph 195, Public Works Account Code, with slight verbal changes. G.O. No. 2209, W., dated 2 th September 1927.	Do.
200-A	G.O. Ms. No. 1638, P.W. (General), dated 14th July 1936.	Do.
201	Same as paragraph 196, Public Works Account Code. The note under paragraph is based on note (*h*) under paragraph 78 (vii) (5) of the Works Audit Department Manual. G.O. No. 1815, W., dated 22nd August 1933.	The first sentence of clause (*b* about adjustment of the value of stock issued and the latter part of clause (*c*) about the classification of supervision charges recovered are Auditor-General's rules. The rest are financial rules of the local Government.
202	Same as paragraph 197, Public Works Account Code. G.O. Ms. No. 1638, P.W. (General), dated 14th July 1936.	This is a financial rule of the local Government.
203–210	Same as paragraphs 198–205, Public Works Account Code. G.Os. No. 1987, W., dated 8th July 1930 and Ms. No. 1638, P.W. (General), dated 14th July 1936.	These are Auditor-General's rules. That portion, however, of paragraph 208 (*a*) which specifies who may make the entries in the half-yearly register of stock and the portion of paragraph 210 which requires the Divisional Officer to review the register and record his remarks are financial rules of the local Government.
211	This is in substitution of paragraph 206 of the Public Works Account Code and embodies the local orders in paragraph 130 (1) of the Works Audit Department Manual on the submission and review of annual instead of half-yearly registers of stock. G.Os. No. 1191, W., dated 4th June 1932 and No. 2018, P.W. (General), dated 24th September 1940.	This is a financial rule of the local Government.
212	Same as paragraph 207, Public Works Account Code.	Auditor-General.
213	Same as paragraph 208, Public Works Account Code.	This is a financial rule of the local Government except that the orders regarding the adjustment of excesses or deficits are Auditor-General's.
214	Same as paragraph 209, Public Works Account Code.	Auditor-General.

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
215	Same as paragraph 210, Public Works Account Code, with the omission of rule 2 as the procedure of showing in the accounts, issues of petty stores collectively once a month, has not been adopted in Madras—vide paragraph 185 of the Public Works Account Code. G.O. No. 3296, W., dated 13th November 1929.	The portion of the rules relating to stock taking is a financial rule of the local Government and that relating to accounts is an Auditor-General's rule.
216	Same as paragraph 211, Public Works Account Code G.O. No. 421, W., dated 16th February 1931.	The first sentence of this rule is a financial rule of the local Government and the rest is Auditor-General's rules.
217-220	Same as paragraphs 212–215, Public Works Account Code.	Auditor-General.
221	Same as paragraph 216, Public Works Account Code, with slight verbal changes. G.O. No. 1475, W., dated 2nd June 1931, No. 1522, W., dated 6th June 1931, and No. 1635, P.W., dated 1st August 1938.	Do.
222	Same as paragraph 217, Public Works Account Code slightly amended in accordance with the decision at separate accounts for the tools and plant of the subdivisions need not be maintained in the Division office.	Do.
223–228	Same as paragraphs 218–223, Public Works Account Code.	The portion of the first sentence of paragraph 224 which relates to the examination and count of stores is a financial rule of the local Government and the rest are Auditor-General's rules.
229	This is in substitution of paragraph 224 of the Public Works Account Code and is based on the decision referred to against paragraph 222 above.	Auditor-General.
230	Same as paragraph 225, Public Works Account Code. G.O. No. 783, W., dated 5th March 1929.	This is a financial rule of the local Government.
231	Same as paragraph 226, Public Works Account Code.	Auditor-General.
232	This is based on paragraph 227, Public Works Account Code, the local rules on the subject of the issue of tools and plant on hire have been laid down in the department Code.	This is a financial rule of the local Government.
233	This is in substitution of paragraph 228, Public Works Account Code embodied with the concurrence of the Accountant-General.	Auditor-General.
234	Same as paragraph 229, Public Works Account Code.	The first sentence is a financial rule of the local Government while the rest of the rule can be amended only on the authority of the Auditor-General.
235	Same as paragraph 230, Public Works Account Code.	Auditor-General.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922, Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
236 and 237 ..	Paragraph 231 of the Public Works Account Code has been revised delegating powers to Divisional Officers to estimate the value of special tools and plant obtained for a specific work, which have to be transferred for use on other works in the same division. The revised paragraphs are based on G.Os. No. 194, W., dated 23rd February 1922, No. 1672, W., dated 27th October 1925, No. 867, W., dated 14th April 1932 and No. 1312, W., dated 15th June 1933.	Paragraph 236 is an Auditor-General's rule except that the local Government may determine the authority competent to transfer special tools and plant and estimate the value thereof. Paragraph 237 is a finan ial rule of the local Government.
238	Same as paragraph 232, Public Works Account Code.	Vide remarks against paragraph 213 above.
239 and 240 ..	Same as paragraphs 233-234, Public Works Account Code.	Auditor-General.
241	Same as paragraph 235, Public Works Account Code, with rule 3 modified. In view of the difficulty of maintaining separate road-metal accounts for metal colle ted on the same road for special repairs, annual repairs, etc.. according to estimates, it has been considered s fficient if at the end of the mile by mile account prescribed in rule 2 an abstract is given showing receipts, issues and balances according to estimates. G.Os. No. 329[illegible], W., dated 13th November 1929 and No. 2202, W., dated 29th August 1931.	The first sentence of this paragraph is a financial rule of the local Government, while the rest are Auditor-General's rule.
242	Deals with the periodical verification of road-metal and is in substitut on of paragraph 236, Public Works Account Code. The latter has been deleted as it has been decided that the detailed account described in paragraph 241 of the new Code should be maintained in all cases.	Auditor-General.
243–246	Same as paragraphs 237–240, Public Works Account Code. G.O. No. 2213, W., dated 6th August 1929.	Paragraphs 243, 245 and 246 are Auditor-General s rules, while paragraph 244 is a financial rule of the local Government.

CHAPTER VIII—TRANSFER ENTRIES.

247	Same as paragraph 241, Public Works Account Code. The note under clause (*b*) explains that issues of materials from stock to a work are adjusted t roug he stock account.	All the rules in the chapter are Auditor-General's rules and can be amended only on his authority.
248	Same as paragraph 242, Public Works Account Code Rule 3 is new and intended to facilitate the preparation of duplicate and triplicate copies of transfer entry forms by carbon process.	
249	Same as paragraph 243, Public Works Account Code. G.O. No. 1201, W., dated 16th April 1929.	
250–253	Same as paragraphs 244–247, Public Works Account Code.	

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 192[illegible], Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
	CHAPTER IX—REVENUE RECEIPTS.	
254 and 255 ..	Based on paragraphs 248 and 249, Public Works Account Code, and the local orders on the subject—vide G.Os. Nos. 904, W., dated 1st July 1925, 626, I., dated 4th December 1925, 1196, W., dated 1st May 1928, Ms. No. 42, P.W. (General), dated 7th January 1937, and 1601, P.W., dated 4th June 1947.	The rules relating to the procedure for the collection of Public Works revenue are financial rules of the local Government, but those which deal with the accounting of such revenue in accordance with the prescribed classification are Auditor-General's rules.
256	Same as paragraph 250, Public Works Account Code. Rules 4 to 6 codify the relevant rules in notes (c), (e) and (g) under paragraph 78 (vii) (5) and paragraph 78 (17) of the Works Audit Department Manual in regard to the accounting of miscellaneous receipts. G.Os.Nos. 1776 W., dated 16th August 1927, and 783, W., dated 5th March 1929.	Except the second sentence of rule 4 under the paragraph which is a financial rule of the local Government, the rest are Auditor-General's rules and can be amended only on his authority.
257	Same as paragraph 251, Public Works Account Code.	The first part of this paragraph which states that revenue not realized should not be credited in the accounts is an Auditor-General's rule. The rest are financial rules of the local Government.
258	This is a new paragraph based on paragraph 78 (vii) (8), (9) and (10) of the Works Audit Department Manual. G.Os. Nos. 1200, I., dated 1st June 1927, 1776, W., dated 16th August 1927, 2121, I., dated 30th July 1929, 2743, I., dated 2nd September 1929, 2791, I., dated 4th October 1929, 1923, I., dated 30th July 1931, 859, I., dated 10th April 1933, 2175, I., dated 6th October 1933, 286, I., dated 1st February 1934, 2107, W., dated 24th September 1934, and 550, P.W. (Irrigation), dated 6th March 1939.	This is a financial rule of the local Government.
259	This is also now based on paragraph 78 (5), Works Audit Department Manual. G.O. No. 783, W., dated 5th March 1929.	As this paragraph deals with the classification of receipts it can be amended only on the authority of the Auditor-General.
260	This is on substitution of paragraph 252, Public Works Account Code. In Madras, irrigation revenue is realized as part of land revenue.	This is an Auditor-General's rule.
261–263	Same as paragraphs 253–255, Public Works Account Code. The note under paragraph 261 is based on paragraph 85 (IX) (e) of the Works Audit Department Manual. G.Os. Nos. 409, W., dated 24th February 1927 and 2209, W., dated 29th September 1927.	These are financial rules of the local Government except the note under paragraph 261 which deals with the classification of receipts, and can be amended only on the authority of the Auditor-General.
264	Same as paragraph 256 with an addition based on note (28) under paragraph 87, Works Audit Department Manual. G.Os. Nos. 2209, W., dated 29th September 1927, 1987, W., dated 8th July 1930 and 421, W., dated 16th February 1931.	This is a financial rule of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
265	This is also based on note (28) under paragraph 87 of the Works Audit Department Manual.	This is a financial rule of the local Government.
266	Same as paragraph 257, Public Works Account Code. G.Os. Nos. 2209, W., dated 29th September 1927, 2391, W., dated 15th November 1932, and 2717, P.W., dated 25th November 1936.	Auditor-General.
267–269	Based on note (28) under paragraph 87, Works Audit Department Manual.	These are financial rules of the local Government.
270	Same as paragraph 258, Public Works Account Code, with slight verbal additions. G.O No. 2209, W., dated 29th September 1927.	Auditor-General.
271–274	Same as paragraphs 259–262, Public Works Account Code.	These are financial rules of the local Government.
275	Same as paragraph 263, Public Works Account Code.	The portion of this rule which requires a reference to the original record showing the realization of revenue is a financial rule of the local Government, while that requiring a record of payment in the original documents can be amended only on the authority of the Auditor-General.
276–282	Same as paragraphs 264–270, Public Works Account Code. G.Os. Nos. 2209, W., dated 29th September 1927, 1942, W., dated 3rd July 1930, 3585, dated 22nd December 1930, 2391, W., W., dated 15th November 1932, 1122, W., dated 23rd May 1933, 2336, W., dated 27th October 1934, and 2717, P.W., dated 25th November 1936.	Auditor-General.

CHAPTER X—WORKS ACCOUNTS.

283	Same as paragraph 271, Public Works Account Code.	This paragraph gives a general outline of the accounts to be maintained by the officers of the Public Works Department and can be amended only on the authority of the Auditor-General.
284	Same as paragraph 272, Public Works Account Code.	The portion of the rules, which explains how the accounts are to be kept is an Auditor-General's rule and that which shows what financial check is to be exercised by the Divisional Officer is a financial rule of the local Government.
285	Same as paragraph 273, Public Works Account Code.	Auditor-General, as it relates to initial accounts.
286	This is in substitution of paragraph 274, Public Works Account Code, and Appendix 16 to the Works Audit Department Manual. The note is based on G.Os.Nos. 289, W., dated 25th February 1925, 866 W., dated 27th March 1928, 1937, W., dated 3rd July 1930., 1121 I., dated 23rd May 1932, and 1252, W., dated 7th June 1934.	This is a financial rule of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
287	Same as paragraph 275, Public Works Account Code.	The main rule is an Auditor-General's rule, while rule 1 is a financial rule of the local Government.
288	Same as paragraph 276, Public Works Account Code. G.O. No. 1201, W., dated 16th April 1929.	Auditor-General, as it relates to initial accounts.
289	The first sub-paragraph is based on paragraph 127 (4) of the Works Audit Department Manual and the second is in substitution of Appendix 15 to the Works Audit Department Manual.	These are financial rules of the local Government.
290	Same as paragraph 277, Public Works Account Code. G.Os. Nos. 3296 W., dated 13th November 1929, and 2507, W., dated 13th December 1933.	Auditor-General, as it relates to initial accounts.
291	Same as paragraph 278, Public Works Account Code. The note under clause (*a*) is based on paragraph 6 (*b*) of G.O. No. 397, W., dated 23rd March 1908, while that under clause (*d*), on G.Os. Nos. 1361. W., dated 19th September 1921, 2105, W., dated 24th September 1927, 2209, W., dated 29th September 1927. 1419, W., dated 4th October 1926, 655, W., dated 24th March 1927, 2377, Revenue, dated 12th November 1929, 2202, W., dated 29th August 1931, and 2507, W.. dated 13th December 1933.	Auditor-General, as the rules relates to initial accounts.
292	Same as paragraph 279, embodying the forms already prescribed. G.O. R. No. 733 W., dated 1st September 1926.	The first portion relating to payment of daily labour through a contractor is a financial rule of the local Government. The rest can be amended only on the authority of the Auditor-General.
293	Same as paragraph 280, Public Works Account Code. The form of the measurement book in use in Madras is a local form and not the Government of India form. G.Os. Nos. 2209 W., dated 29th September 1927, 3045, W., dated 5th December 1928, 2091, W., dated 23rd September 1927, 899, W., dated 31st March 1931, Chief Engineer's Memoranda Nos. 1088-A.C., C.P., dated 23rd April 1931, 1265-Ac./31-1, dated 5th May 1931, and G.O. No. 2242, P.W., dated 22nd October 1940, and G.O. Ms. No. 1391, P.W., dated 11th April 1950.	Auditor-General, as it relates to initial accounts. The rule in the sub-paragraph under rule 1 prescribing the procedure for sending measurement books to the Division office is a financial rule of the local Government.
294	Deals with record of measurement books and is the same as paragraph 281, Public Works Account Code, embodying subsidiary orders of the local Government on the subject. Clause (*a*) embodies paragraph 137 (4) of the Works Audit Department Manual. Notes (1) and (2) under clause (*a*) and the addition to clause (*d*) are based on G.O. No. 825, W., dated 25th May 1920. **Clause (*g*) is from paragraph 326 of the**	Auditor-General, as it relates to initial accounts. The first portion of clause (*a*) which lays down that entries in the measurement books should be made in the field and notes (1) and (2) thereunder are subsidiary orders of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1932), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
	Public Works Department Code, 10th Edition, G.Os. Nos. 2470, II., dated 6th October 1928, 1009, W., dated 25th April 1929, 2914, W., dated 16th October 1929, 3225, W., dated 8th November 1929, 3323, W., dated 15th November 1929, 1987, W., dated 8th July 1930, 1915, W., dated 29th July 1931, 2181, W., dated 28th August 1931, 2316, W., dated 11th September 1931, 1246, W., dated 9th June 1932, 2399, W., dated 16th November 1932, 2516, W., dated 29th November 1932, 1462, W., dated 10th July 1934, 433, W., dated 18th February 1935, 2914, P.W., dated 16th October 1929, 11, P.W. (Irrigation), dated 5th January 1937 Ms. 770, P.W., dated 10th April 1937. 3683, P.W., dated 3rd October 1950, 11, P.W., dated 5th January 1937 and C.E's No. 4582-Ac./49–6, dated 11th September 1950.	
295	Is based on paragraph 282, Public Works Account Code, and paragraph 135-A of the Works Audit Department Manual and embodies the detailed rules for the maintenance of standard measurement books framed by the local Government in consultation with the Accountant-General. G.Os. Nos. 1382, I., dated 25th June 1927, 1549, I., dated 19th July 1927, 1147 W., dated 27th April 1928, 2328, W., dated 15th August 1930, 2197, W., dated 29th August 1931, and 2331, W., dated 12th September 1931.	Auditor-General, as it relates to initial accounts.
296	Same as paragraph 283, Public Works Account Code, embodying the local orders for review of measurements in paragraph 162 of the Works Audit Department Manual. G.Os. Nos. 46, W., dated 7th January 1928, 3149, W., dated 13th December 1928, 1858, W., dated 28th August 1933, 1112, W., dated 12th May 1934, 2792, W., dated 19th December 1934, Ms. 1887, W., dated 26th August 1935, and 2250, W., dated 16th October 1935.	The main rule prescribing a review by the Divisional Accountant is an Auditor-General's rule; but the detailed rules thereunder are local Government's subsidiary orders.
297	This codifies the orders of the local Government regarding check-measurements. G.Os. Nos. 1132, W., dated 8th August 1921, 841, W., dated 27th August 1923, 1776, W., dated 16th August 1927, 921, W., dated 11th April 1935, 2838, P.W., dated 9th December 1936, 2455, P.W., dated 25th November 1937, 2525, P.W., dated 1st December 1938, 408, P.W., dated 18th February 1941, and Rout. No. 214, P.W., dated 13th February 1952.	This is the financial rule of the local Government.
298	Same as paragraph 284, Public Works Account Code, with the "lump sum contract bills" form added to the authorized forms of bills and vouchers —vide G.Os. Nos. 96, W., dated 24th January 1924, 2507, W., dated 13th December 1933, and 1981, W., dated 10th September 1934.	Do.
299–302	Same as paragraphs 285, and 288, Public Works Account Code. G.O. No. 1981, W., dated 10th September 1934.	Do.

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Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
303	This is new paragraph regarding payments on lump sum contract bills and is based on G.Os. Nos. 96 W., dated 24th January 1924, 1618 W., dated 31st May 1929, 33, W., dated 4th January 1930, Chief Engineer's Memorandum No. 3328-A.C./C.P., dated 12th November 1930 and G.O. No. 1981, W., dated 10th September 1934.	**This is the financial rule of the local Government.**
304 and 305 ..	Same as paragraphs 289 and 290, Public Works Account Code. G.Os. Nos. 2507, W., dated 13th December 1933 and 1981 W., dated 10th September 1934.	**Do.**
306	This is redraft of paragraph 292, Public Works Account Code. The main paragraph has been slightly amplified to make the meaning clear. As the schedule of rates is treated as confidential, Rule 1 has been revised so as to prohibit references to it in contract agreements. Rule 2 is based on G.O. No. 468, W., dated 21st January 1916, and Rule 3 on paragraph 144 of the Works Audit Department Manual. Rule 4 is new and obviously necessary. G.Os. Nos. 1776, W., dated 16th August 1927, 782 W., dated 5th March 1929, 2071. W., dated 16th July 1930, 2316. W., dated 11th September 1931, 2399, W., dated 16th November 1932, 801, P.W., dated 16th April 1937 and Ms. No. 1391, P.W., dated 11th April 1950.	**The rules in this paragraph are all financial rules of the local Government except the last portion of rule 4 relating to accounts adjustment which can be amended only on the authority of the Auditor-General.**
307	Same as paragraph 293, Public Works Account Code, embodying paragraph 93 (*e*), Works Audit Department Manual. Rule 2 under the old paragraph has been deleted, as it does not relate to Madras. G.Os. Nos. 3029, W., dated 14th December 1927 and 1582, W., dated 16th June 1931.	**This is a financial rule of the local Government.**
308 (*a*)	Same as paragraph 294, Public Works Account Code, slightly modified in consequence of the fact that in Madras, bills beyond Subdivisional Officer's powers to pay are sent to Divisional offices with the measurement books.	**Do.**
308 (*b*)	This is a new paragraph based on G.O. No. 747, W., dated 2nd July 1924.	**Do.**
309	This is redraft of paragraph 295, Public Works Account Code.	**Do.**
310	This embodies paragraph 127 (1), Works Audit Department Manual.	**Do.**
311	This is a new paragraph based on paragraph 98-A, Works Audit Department Manual.	**Do.**
311-A	This is a new paragraph based on G.Os. Nos. 1132, W., dated 30th July 1925, 112 W., dated 25th January 1926 and 1981, W., dated 10th September 1934.	**Do.**

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Paragraph number of the Madras Public Works Account Code.	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc.	Authority competent to revise in future.
(1)	(2)	(3)
312	Same as paragraph 296, Public Works Account Code, except that clause (*a*) has been revised with reference to G.Os. Nos. 1258 W., dated 18th August 1925, 1776 W., deatd 16th August 1927, 1981 W., dated 10th September 1934, 2336 W., dated 27th October 1934, 1517 W., dated 3rd July 1935 and 934 P.W., dated 10th May 1938.	This is a financial rule of the local Government.
313	Clause (*a*) is the same as paragraph 297 (*a*), Public Works Account Code, and the note is based on G.O. No. 499 W., dated 4th May 1926. Clause (*b*) of the old paragraph has been replaced by detailed rules approved in G.O. No. 769 W., dated 5th July 1924. G.Os. Nos. 3296 W., dated 13th November 1929 and 1981 W., dated 10th September 1934.	Do.
314 and 315 ..	Same as paragraphs 298 and 299, Public Works Account Code. G.O. No. 1981 W., dated 10th September 1934.	This is a financial rule of the local Government.
316	Reproduces the first sentence of paragraph 300, Public Works Account Code.	Merely refers to the rules in the Public Works Department Code regarding work-charged establishment.
317	Same as paragraph 302, Public Works Account Code.	Paragraph 320 is an Auditor-General's rule. The rest are financial rules of the local Government.
318–320	Same as paragraph 304–306, Public Works Account Code. G.Os. Nos. 2507 W., dated 13th December 1933 and 1696, P.W. (General), dated 21st July 1936.	
321	Same as paragraph 307, Public Works Account Code.	This is a financial rule of the local Government.
322 and 323 ..	These are new paragraphs describing the "materials-at-site" accounts and re-introducing with the concurrence of the Accountant-General, the old 7 F. Form in a modified form in place of Public Works Account Code forms 35, 37 and 38. G.Os. Nos. 1621 W., dated 1st June 1929, 795 W., dated 2nd April 1932 and 1981 W., dated 10th September 1934.	Auditor-General, but Rule 1 under paragrpah 323 is a financial rule of the local Government.
324	Same as paragraph 311, Public Works Account Code.	Auditor-General.
325	Same as paragraph 317 (*a*), Public Works Account Code, with slight amendments due to the introduction of the materials-at site account form. G.Os Nos. 1201 W., dated 16th April 1929 and Ms. 1638, P.W. (General), dated 14th July 1936.	Do.
326	Same as paragraph 318 (*a*), Public Works Account Code, slightly modified.	Do.

Paragraph number of the Madras Public Works Account Code.	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc.	Authority competent to revise in future.
(1)	(2)	(3)
327	Same as paragraph 308, Public Works Account Code, incorporating the substance of paragraph 144-A, Works Audit Department Manual. Rule 2 has been revised to bring it into line with Rule 1 under paragraph 306. G.Os. Nos. 783 W., dated 5th March 1929, 1981 W., dated 10th September 1934 and Ms. 1638, P.W. (General), dated 14th July 1936, G.O. No. 2480, P.W., dated 14th June 1951.	This is a financial rule of the local Government.
328	Same as paragraph 309, Public Works Account Code. G.O. Ms. No. 1638, P.W. (General), dated 14th July 1936.	Do.
329	Paragraph 310, Public Works Account Code, has been revised to provide for the handing over of materials to contractors as necessity arises.	As the Auditor-General is required under Rule 12 of the Auditor-General's rules to audit the accounts of stores, the rule can be amended only on his authority.
330	Based on paragraph 312, Public Works Account Code, suitably modified so as to fit in with the new "materials-at-site" accounts.	Auditor-General.
331	Same as paragraph 313, Public Works Account Code.	This is a financial rule of the local Government.
332	Same as paragraph 314, Public Works Account Code, explaining how the new materials-at-site accounts form can be utilized to see that the issue of materials to contractors is within the estimated requirements.	Do.
333	Same as paragraph 315, Public Works Account Code, with a reference to the Agreement Form K-1. G.Os. Nos. 1981 W., dated 10th September 1934 and Ms. 1638, P.W. (General), dated 14th July 1936.	Do.
334	Reproduces paragraph 316, Public Works Account Code, with slight verbal changes.	Do.
335	Clause (*a*) is based on paragraph 318 (*c*), Public Works Account Code, and Public Works Department Memo. No. 3177-C, dated 3rd June 1908, requiring only a numerical account to be maintained in the case of minor works. Clause (*b*) is paragraph 318 (*b*), Public Works Account Code, suitably modified to fit in with the new form. G.O. No. 795 W., dated 2nd April 1932.	Auditor-General.
336	Same as paragraph 321, Public Works Account Code, slightly amended and embodies local orders on the subject. G.O. No. 1542 W., dated 30th September 1925.	The second half of clause (*b*) relating to credit in accounts is an Auditor-General's rule, while the rest are financial rules of the local Government.
337 and 338 ..	Same as paragraphs 322 and 323, Public Works Account Code, revised to suit the new form in place of Public Works Account Forms 35 and 37. G.O. No. 1621 W., dated 1st June 1929.	These are financial rules of the local Government.
338	This is a new paragraph merely stating that surplus materials-at-site should be promptly cleared.	This is a financial rule of the local Government.

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Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
340	Same as paragraph 324, Public Works Account Code, slightly amended to enable a verification of unused materials-at-site of all works.	This is a financial rule of the local Government.
341	Same as paragraph 325, Public Works Account Code, with the last sentence omitted and the reference to Form 37 replaced by a reference to the new materials-at-site account form.	Do.
342	This paragraph deals with the adjustment of discrepancies between the materials-at-site accounts and the verified balances and replaces paragraphs 326 and 359, Public Works Account Code, which have been suitably amended to fit in with the new form of "materials-at-site.' G.O. No. 1621 W., dated 1st June 1929 and C.E.'s Memo. No. 1088 A.C./C.P., dated 23rd April 1931. Chief Engineer's Memorandum No. 204 RK/36 C.R., dated 29th May 1936.	Auditor-General.
343	Same as paragraph 327, Public Works Account Code.	Auditor-General.
344	Same as paragraph 328, Public Works Account Code, slightly modified. Rule 2 has been revised prescribing conditions under which accounts of major works need not be kept by sub-heads. G.Os. Nos. 1157 W., dated 5th August 1925, R. 576 W., dated 3rd August 1926, 783 W, dated 5th March 1929, 133 W., dated 17th January 1931, 356 W., dated 11th February 1932 and 1981 W., dated 10th September 1934.	Do.
345	Same as paragraph 329, Public Works Account Code.	Auditor-General.
346	Same as paragraph 330, Public Works Account Code, with the portion regarding the framing of abstracts of estimates and details of cost and quantities transferred to the Madras Public Works Department Code.	The portions of these rules which relate to classification in estimates and alteration of the original abstract and details of cost and quantities are financial rules of the local Government while the rest are Auditor-General's rules.
347	Same as paragraph 331, Public Works Account Code.	
348	Same as paragraph 332, Public Works Account Code.	This is a financial rule of the local Government, except the portion relating to accounts which is Auditor General's.
349	Same as paragraph 333, Public Works Account Code.	This is an Auditor-General's rule, but it may be suitably modified if under the note under new paragraph 365, the local Government decide that accounts documents need not record the progress of work.
350–353	Same as paragraphs 336–339, Public Works Account Code.	Auditor-General.
354	Same as paragraph 340, Public Works Account Code, with the suspense account "materials" replaced by "materials-at-site." G.O. No. 1981 W., dated 10th September 1934.	Do.
355	Same as paragraph 381, Public Works Account Code, re-drafted, sub-paragraph (2) having been deleted, as it is proposed in the new rules to adjust the cost of materials through the works abstracts themselves, as in the past. G.O. No. 2209 W., dated 29th September 1927.	Do.

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
356–358	Same as paragraphs 342—344, Public Works Account Code. G.O. No. 1981 W., dated 10th September 1934.	Auditor-General.
359	Same as paragraph 345, Public Works Account Code, with the suspense head "materials" changed to "materials-at-site."	Do.
360 and 361 ..	Same as paragraphs 346 and 347, Public Works Account Code.	Do.
362	Same as paragraph 348, Public Works Account Code, with the addition that the balances under the suspense account "Labourers" also should be examined monthly.	Do.
363	Same as paragraph 349, Public Works Account Code. G.O. No. 1201 W., dated 16th April 1929.	The first part of the rule is an Auditor-General's rule while the second relating to prompt settlement of liabilities, is a financial rule of the local Government.
364 and 365 ..	Same as paragraphs 350 and 351, Public Works Account Code.	Paragraph 364 is a financial rule of the local Government. Paragraph 365 may be amended by the local Government at their discretion if they consider that account documents need not record the progress of work which is required for executive purposes.
366	Same as paragraph 352, Public Works Account Code, suitably modified and amplified so as to bring out the manner of adjusting issues of materials from the suspense head "Materials-at-site" to contractors or direct to works. G.Os. Nos. 154 W., dated 20th January 1928, 2209, W., dated 29th September 1927, 1417 W., dated 7th May 1929 and 1981 W., dated 10th September 1934.	Auditor-General.
367	Same as paragraph 353, Public Works Account Code.	Auditor-General.
368	Same as paragraph 354, Public Works Account Code, with an addition explaining the object of the Register of Works.	Do.
369–372	Same as paragraphs 355—358, Public Works Account Code. G.O. No. 758 W., dated 31st March 1932.	Do.
373	This is in substitution of paragraph 359 which has been transferred to new paragraphs 336–338 and 342.	Merely refers to other paragraphs in the Code.
374–377	Same as paragraphs 360–363, Public Works Account Code.	Auditor-General.
378	Same as paragraph 364, Public Works Account Code.	This is financial rule of the local Government.
379 and 380 ..	Same as paragraphs 365 and 367, Public Works Account Code. G.O. No. 2202 W., dated 29th August 1931.	Auditor-General.
381	Same as paragraph 368, Public Works Account Code, omitting clause (*b*) as the form "Accounts of petty contractors" is not in use in Madras. G.Os. Nos. 191 W., dated 25th January 1928, 2913 W., dated 16th October 1929.	Do.
382 ..	Same as paragraph 369, Public Works Account Code, with a note requiring the Subdivisional Officers to maintain a list of balances to and from piece-workers and contractors.	Auditor-General. The note under paragraph 382 is a financial rule of the local Government.

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Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise future. (3)
383 and 384 ..	Same as paragraphs 370–371, Public Works Account Code. G.Os. Nos. 2209 W., dated 29th September 1927 and 1981 W., dated 10th September 1934.	Auditor-General.
385	Same as paragraph 374, Public Works Account Code. G.O. No. 1981 W., dated 10th September 1934.	Do.
386 and 387 ..	Same as paragraphs 376–377, Public Works Account Code. G.O. No. 1981 W., dated 10th September 1934.	Do.
388	Same as paragraph 378, Public Works Account Code.	This is a financial rule of the local Government.
389	Same as paragraph 379, Public Works Account Code.	Auditor-General.
390	Same as paragraph 380, Public Works Account Code.	Do.
391	G.Os. Nos. 2269 W., dated 11th September 1928 and 27 W., dated 4th January 1930.	Do.
392	Same as paragraph 382, Public Works Account Code.	The portion of the rule relating to the general procedure can be amended by the local Government, while the rest relating to classification on the authority of the Auditor-General.
393	Same as paragraph 383, Public Works Account Code. G.Os. Nos. 1811 W., dated 20th June 1930 and 1987 W., dated 8th July 1930.	Auditor-General.
393-A	This is a new paragraph dealing with the procedure for the execution of Government works partly contributed for by local bodies and private persons and based on notes (11) to (13) under paragraph 86, Works Audit Department Manual. G.O. No. 1108 I., dated 22nd May 1933 and C.E.'s Memo. No. 435 R.K. 33, C.P., dated 1st November 1933 and G.O. No. 2073, P.W., dated 27th August 1941.	This is a financial rule of the local Government.
394	Same as paragraph 383 (*a*), Public Works Account Code.	This is a financial rule of the local Government.

CHAPTER XI.—MANUFACTURE ACCOUNTS.

395–407	Same as paragraphs 384–396, Public Works Account Code. G.Os. Nos. 1776 W., dated 16th August 1927, 1417 W., dated 7th May 1929 and 3296 W., dated 13th November 1929.	All the rules in this chapter can be amended only on the authority of the Auditor-General, as he has been entrusted with the audit of accounts of manufacture under rule 12 of the Auditor-General's rules.

CHAPTER XII.—SUSPENSE ACCOUNTS.

All the rules in this chapter are Auditor-General's rules except that the first sentence of paragraph 421 regarding extent of outlay on deposit works, is a financial rule of the local Government and the portion of paragraph 432 relating to the levy of extra charges in England, is a financial rule of the Governor-General in Council.

408	Same as paragraph 397, Public Works Account Code, slightly modified to show that all suspense accounts of the Public Works Department, Madras, are kept under "50. Civil Works."	

MEMORANDUM

Paragraph number of the ad as Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 19.., Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
409	Same as paragraph 398, Public Works Account Code. G.O. No. 1201 W., dated 16th April 1929, P. W. & L., Endorsemnt 19102 B-1, dated 15th October 1929 and G.O. No. 421 W., dated 16th February 1931.	
410-435	Same as paragraphs 399–424, Public Works Account Code. G.Os. Nos. 2209 W., dated 20th September 1927, 1776 W. dated 16th August 1927, 1971 I., dated 16th December 1926, 3296 W., dated 13th November 1929, 421 W., dated 16th February 1931, 1159 W., dated 30th April 1931, 2907 W., dated 20th July 1931, 2202 W., dated 29th August 1931 and Ms. 1638, P.W. (General), dated 14th July 1936.	
436	Same as paragraph 425, Public Works Account Code. Reference to the procedure for the preparation of indents embodied in Appendix IV, Madras Public Works Department Code, has also been given. G.O. No. 1971 I., dated 16th December 1926.	
437–440	Same as paragraphs 426–429, Public Works Account Code.	
	CHAPTER XIII.—WORKSHOPS ACCOUNTS.	
441	This is a preliminary paragraph explaining the source and application of the rules in this chapter.	
442-452	Same as paragraphs 430–440, Public Works Account Code, with explanatory notes under new paragraphs 443 and 445. G.Os. Nos. 2209 W., dated 29th September 1927, 1776 W., dated 16th August 1927, 1417 W., dated 7th May 1929, 14 W., dated 5th January 1931, 1907 W., dated 29th July 1931, 3202 W., dated 21st December 1931, 2391 W., dated 15th November 1932, 2025 W., dated 14th September 1933, 1638, P.W. (General), dated 14th July 1936 and 2058, P.W., dated 1st September 1936.	Paragraphs 444 and 452 are financial rules of the local Government and the percentages referred to in paragraph 449 should be fixed by the local Government. With these exceptions, all the rules in this chapter are Auditor-General's.
	CHAPTER XIV.—DEPOSITS.	
453	Same as paragraph 441, Public Works Account Code. The note is based on G.O. Ms. No. 939, Finance, dated 26th October 1923.	Auditor-General. The note so far as it relates to the refund of Revenue is a financial rule of the local Government; the portion relating to the Repayment of Deposits is an Agency rule.
454-456	Same as paragraphs 442–444, Public Works Account Code. G.O. No. 567, Finance (Codes), dated 15th August 1927. G.Os. Nos. 2351 W., dated 20th August 1930, 421 W., dated 16th February 1931, 1455 W., dated 8th July 1932, 1664 W., dated 6th August 1932, 1981 W., dated 10th September 1934, 2182, P.W., dated 17th September 1936, 990, P.W., dated 21st April 1941, 1200, P.W., dated 15th May 1941 and 5018, P.W., dated 5th January 1948. G.O No. 3292, P.W., dated 6th November 1947.	As deposits are Central, these can be amended only on the authority of the Governor-General in Council.

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Paragraph number of the Madras Public Works Account Code.	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc.	Authority competent to revise in future.
(1)	(2)	(3)
457	Same as paragraph 445, Public Works Account Code. The note is based on paragraph 85 (*g*) of the Works Audit Department Manual. G.Os. Nos. 700 W., dated 22nd March 1933 and 3287, P.W., dated 11th September 1942.	As deposits are Central, these can be amended only on the authority of the Governor-General in Council.
458	Same as paragraph 446, Public Works Account Code, embodying the orders in G.O. No. 231 W., dated 27th February 1924, and Public Works Department Memo. No. 1082 Ac./24, C.P., dated 20th March 1924. The note is based on note (*b*) under paragraph 103 (16), Works Audit Department Manual. G.Os. Nos. 2702 W., dated 23rd September 1930, 1981 W., dated 10th September 1934 and 798, P.W., dated 15th April 1937.	Auditor-General. The money limit fixed for withholding of payment towards security is that laid down by the local Government. The note under this paragraph is a financial rule of the local Government.
459	Same as paragraph 447, Public Works Account Code. The note is based on note (*a*) under paragraph 103 (16), Works Audit Department Manual. G.Os. Nos. 2689, P.W., dated 20th November 1936 and 798, P.W., dated 15th April 1937.	As deposits are Central, these can be amended only on the authority of the Governor-General in Council.
460–462	Same as paragraphs 448 to 450, Public Works Account Code.	Paragraph 461 is an Agency rule of the Governor-General in Council, and paragraphs 460 and 462 are Auditor-General's rules.
463	Same as paragraph 451, Public Works Account Code, amended with reference to note 4 under Article 359, M.F. and A.C., Vol. I, vide Public Works Department Memo. No. 1987, Ac./24, C.P., dated 11th June 1924.	This is an Agency rule. See, however, note 4 under article 359, M.F. and A.C., Vol. I.
464–467	Same as paragraphs 452 to 455, Public Works Account Code. The note under paragraph 466 is based on note (2) under paragraph 86, Works Audit Department Manual.	Auditor-General except rule 2 under paragraph 468 which is a rule of procedure laid down by the local Government.
468	Same as paragraph 456, Public Works Account Code with rule (2) replaced by the detailed procedure laid down by the local Government, in consultation with the Accountant-General. G.O No. 2209 W., dated 29th September 1927.	
	CHAPTER XV.—NON-GOVERNMENT WORKS.	
469	Same as paragraph 457, Public Works Account Code, with "Item 3—Takavi works" deleted, there being no such works in Madras. For the same reason, old paragraphs 476–481 have also been deleted.	Auditor-General.
470	Same as paragraph 458, Public Works Account Code. Rule 1 was originally modified so as to permit financial assistance to local bodies in the shape of expenditure in the Public Works Department being debited to the head of service most closely connected with the object of expenditure as in the case of cash grants—vide G.O. No. 1581 W., dated 8th October 1925. (G.O. No. 2213 W., dated 5th September 1928). It has now been modified so as to bring it in conformity with rule (1) under paragraph 458 of the Government of India, Public Works Account Code—vide letter No. 655, Code, 153/28, dated 6th November 1929, from the Controller of Civil Accounts to the Accountant-General, Madras. G.Os. Nos. 27 W., dated 4th January 1930, 135 W., dated 16th January 1930, 1811 W., dated 20th June 1930, 177 W., dated 27th June 1930, 133 W., dated 17th January 1931, 1159 W., dated 30th April 1931 and 771 W., dated 28th March 1934.	Auditor-General. Rule 1, however, is mainly a financial rule of the local Government excepting the portion laying down the accounts procedure.

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 192), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
71–473	Same as paragraphs 459–461, Public Works Account Code. (G.O. No. 1907 W., dated 29th July 1931.)	Paragraph 473 is a financial rule of the local Government, and paragraphs 471 and 472 are Auditor-General's rules.
474	Is paragraph 462, Public Works Account Code, amplified requiring also the local bodies which have not withdrawn their balances from the treasury to pay their deposits in advance—vide G.O. No. 933 W., dated 4th July 1925. Paragraphs 466 to 471 of the Public Works Account Code have been deleted. G.Os. Nos. 1159 W., dated 30th April 1931 and 2908, P.W. (Irrigation), dated 17th December 1936.	The first part of this paragraph and the rules thereunder are Agency rules. The latter part of the paragraph relating to accounts can be amended only on the authority of the Auditor-General.
475	Same as paragraph 463, Public Works Account Code.	Auditor-General.
476	This is a new paragraph describing the procedure for the refund of unexpended balances to the depositor embodied with the concurrence of the Accountant-General. G.Os. Nos. 1581 W., dated 8th October 1925, 2646, P.W., dated 16th November 1936 and 930, P.W., dated 5th May 1937.	The first part of the paragraph is an Agency rule, while the portion relating to adjustment in accounts is an Auditor-General's rule.
477 and 478 ..	Same as paragraphs 464 and 465, Public Works Account Code. G.O. No. 132 W., dated 17th January 1931.	Auditor-General.
479	This is in substitution of paragraph 466, Public Works Account Code—vide remarks against paragraph 474.	
480 ..	Same as paragraph 472, Public Works Account Code.	The portion of the rule which defines the procedure to be followed by the Auditor-General can be amended only on his authority while the rest are financial rules of the local Government.
481 and 482 ..	Same as paragraphs 473 and 474, Public Works Account Code.	Auditor-General.
483 . .	Same as paragraph 475, Public Works Account Code.	This is a financial rule of the local Government.
484	This is a new paragraph prescribing the procedure for the accounting and recovery of the expenditure incurred by the Public Works Department on the clearance of prickly-pear from tank-bunds. and channel banks and is based on GOs. Nos. 196 I., dated 3rd July 1919, 3161 I., dated 14th December 1928, 2694 I., dated 23rd September 1930, 1403 I., dated 26th May 1931., 1504 I., dated 11th July 1933, 2003 I., dated 19th March 1934, 1625 W, dated 17th July 1935, and 1842, P.W., dated 11th September 1937, 07, P.W., dated 9th January 1940, 2813, P.W. (Irrigation), dated 14th December 1940 and 2371, P.W. (Irrigation), dated 2nd October 1941.	This is a financial rule of the local Government but the portion relating to account classification can be amended only on the authority of the Auditor-General.

CHAPTER XVI.—TRANSACTIONS WITH OTHER DIVISIONS, DEPARTMENTS AND GOVERNMENTS.

All the rules in this chapter except the rule in paragraph 489 are the Auditor-General's rules. Paragraph 485 contains the fundamental principle of accounting, while paragraphs 486 to 488, 490 and 491 are rules of classification. Paragraph 489 is a financial rule of the local Government as it affects the amount of payment adjustabl between departments and not the manner or record **of that payment G.O. No. 319 W., dated 5th February 1931.**

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Paragraph number of the Madras Public Works Account Code.	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc.	Authority competent to revise in future.
(1)	(2)	(3)
484	Is the same as paragraph 482, Public Works Account Code, with the last sentence of rule 1 replaced by new rule 2 specifying the head of account to which the expenditure on work transferred to the control of the civil departments is debitable. G.Os. Nos. 785, Financial, dated 23rd September 1925 and 3296 W., dated 13th November 1929.	
486	Same as paragraph 483, Public Works Account Code. The note is based on paragraph 40-A of the Works Audit Department Manual. G.Os. Nos. 217, P.W., dated 3rd February 1937 and 194, Finance, dated 21st July 1942.	
487	Based on paragraph 484, Public Works Account Code, and Auditor-General's letter No. 714, Admn.-91/24, Audit, dated 28th April 1924—vide Public Works Department Memorandum No. 1141 Ac./23 C.P., dated 25th September 1924. G.O. No. 2583, P.W., dated 2nd October 1946, No. 1078, P.W., dated 16th April 1947 and No. 1852, P.W., dated 29th June 1944.	
488	This is in modification of paragraph 485, Public Works Account Code, neccessitated by the decision to charge to the Public Works Department the cost of prison labour employed on jail works also—vide G.Os. Nos. 1098 W., dated 24th July 1925, 1717 W., dated 10th June 1930 and 1361, P.W., dated 4th July 1940.	
489–491	Same as paragraphs 486–488, Public Works Account Code.	
492–503	Same as paragraphs 489–500, Public Works Account Code. Rule 2 under paragraph 493 is based on note (2) under paragraph 75, Works Audit Department Manual. G.Os. Nos. 1001 W., dated 4th April 1928, 421 W., dated 16th February 1931 and 402 W., dated 16th February 1934.	
	CHAPTER XVII.—PAY AND ALLOWANCES.	
504	Same as paragraph 501, Public Works Account Code. G.O. No. 3296 W., dated 13th November 1929.	These are subsidiary rules of the local Government under Treasury Order 16 and of the Governor-General in Council under Treasury Order 12 in regard to Central transactions, with the exception of the first sentence of paragraph 505 which is an Auditor-General's rule.
505–507	Same as paragraphs 504–506, Public Works Account Code,. G.O. No. 487 W., dated 24th February 1931.	Do.
508 and 509 ..	Same as paragraphs 508 and 509, Public Works Account Code. G.Os. Nos. 1199 W., dated 6th September 1926, 2134 W., dated 27th September 1927, 1226 W., dated 7th June 1932 and 1844 W., dated 25th August 1933.	The second sentence of paragraph 508 and rule 1 thereunder are Auditor-General's rules, while the rest are financial rules of the local Government.
510	Based on paragraphs 510 and 533, Public Works Account Code. Rule 1 under paragraph 510 has been deleted as it was decided in G.O. No. 620, W., dated 14th May 1919, that deductions should not be made from pay bills on account of security deposits.	The portion relating to the method of recovery of security is a financial rule of the local Government, and the method of accounting is an Auditor-General's rule.
511	Same as paragraph 512, Public Works Account Code.	The first portion is a financial rule of the local Government and the last portion is an Auditor-General's rule.
512 and 513 ..	Same as paragraphs 514 and 515, Public Works Account Code. G.O. No. 3296 W., dated 13th November 1929.	These rules state the requirements of audit and can therefore be amended only on the authority of the Auditor General.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
	CHAPTER XVIII.—CONTINGENT CHARGES.	
514	Based on paragraph 516, Public Works Account Code and G.O. No. 220 W., dated 17th February 1919.	This is a subsidiary rule of the local Government under Treasury Order 16, Rule 1, however, is an Auditor-General's rule.
515	Same as pargraph 517, Public Works Account Code.	This rule merely makes a general statement that certain rules in the Madras Financial and Account Code are applicable also to the Public Works Department. Whenever any change is made in any of those rules by competent authority, the opportunity will arise for considering whether the revised rule should be applicable also to the Public Works Department.
516	Same as paragraph 518, Public Works Account Code.	Auditor-General. The second sentence of rule 2 under paragraph 517 is, however, a financial rule of the local Government.
517	This paragraph relates to the classification of charges on account of medicines supplied to the Public Works Department and is based on G.Os. Nos. 1184 W., dated 3rd August 1920 and 544, P.W., dated 4th March 1939.	Do.
518	Based on paragraph 519, Public Works Account Code. and G.Os. Nos. 823 W., dated 25th May 1920, 1184, W., dated 3rd August 1920 and 74, P.W., dated 11th January 1939.	This is a financial rule of the local Government.
519	Same as paragraph 524, Public Works Account Code.	The portion of clause (*a*) relating to the keeping of accounts for cash obtained on bills and rule under the paragraph are Auditor-General's rules. The remaining portion of clause (*a*), clause (*b*) and the portion of clause (*c*) referring to rules relating to vouchers which have to be sent to the Treasury in support of a bill are subsidiary rules of the local Government under Treasury Order 16. The rest of clause (*c*) and clause (*d*) are financial rules of the local Government.
520	Same as paragraph 525, Public Works Account Code.	The first part of the rule relating to mixing up of balances of cash is a financial rule of the local Government while the latter part which relates to accounting is an Auditor-General's rule.
	CHAPTER XIX.—DIRECTION AND OTHER SPECIAL OFFICES.	
521 and 522 ..	Same as paragraphs 526 and 527, Public Works Account Code.	These are financial rules of the local Government except that part of paragraph 522 relating to accounting which is an Auditor-General's rule.
523	Same as paragraph 528, Public Works Account Code, without the rule thereunder.	The first sentence is financial rule of the local Government, while the rest of the rule is a statement of the principle in Treasury Order 7.
524	Same as paragraph 529, Public Works Account Code.	This is a rule of classification and can be amended only on the authority of the Auditor-General.
525	Same as paragraph 530, Public Works Account Code.	The main rule is a subsidiary rule of the local Government under Treasury Order 16. The rule under the paragraph is a financial rule of the local Government.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
526	Is based on paragraph 531, Public Works Account Code. This is self-explanatory.	This merely states that the general rules applicable to Divisional offices apply *mutatis mutandis* to Special offices.
527	Same as paragraph 534, Public Works Account Code. This is a statement of fact.	Vide remarks against paragraph 515.
528 and 529 ..	Same as paragraphs 535 and 536, Public Works Account Code.	These are classification and account rules which can be amended only on the authority of the Auditor-General.

CHAPTER XX.—ACCOUNTS RETURNS OF SUBDIVISIONAL OFFICES.

530–535	Reproduce paragraphs 537 to 542, Public Works Account Code, except that the dates in paragraphs 538 and 542 have been omitted to make the paragraphs general and in paragraph 541 the reference to Public Works Account Form No. 35 has been replaced by the new materials-at-site accounts form. G.Os. Nos. 2209 W., dated 29th September 1927, 795 W., dated 2nd April 1932, 2236 W., dated 27th October 1934 and 1070, Public Works, dated 2nd May 1936.	All the rules in this chapter relate to initial accounts and are Auditor-General's rules.

CHAPTER XXI.—ACCOUNTS OF DIVISIONAL OFFICES.

All the rules in this chapter can be amended only on the authority of the Auditor-General as relating to check of initial accounts and their compilation for purposes of audit, and maintenance of accounts records in Divisional offices.

536–551	Same as paragraphs 543–558, Public Works Account Code, G.Os. Nos. 2209 W., dated 29th September 1927, 2391 W., dated 15th November 1932, 1122 W., dated 23rd May 1933, 1412 W., dated 4th July 1934, 2336 W., dated 27th October 1934 and 1447, P.W., dated 8th July 1938.	
552	Same as paragraph 559, Public Works Account Code. Rule 2 has been modified as it is considered unnecessary to record the details of the schedule of monthly settlement with treasuries in the cash book, provided the office copy of the schedule is preserved for a period of 20 years. G.O. No. 65, P.W., dated 9th January 1939.	
553	Same as paragraph 560, Public Works Account Code.	
554	Same as paragraph 561, Public Works Account Code, with a slight addition in explanation of the paragraph. G.O. No. 3296 W., dated 13th November 1929.	
555	Same as paragraph 562, Public Works Accounts Code, with the rule modified to permit the Divisional Accountant to sign Form 62 when the Divisional Officer is away on tour. G.Os. Nos. 2209 W., dated 29th September 1927 and 133 W., dated 17th January 1931.	

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922), Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
556	Same as paragraph 563, Public Works Account Code, omitting the Schedule of Takkavi works. G.Os. Nos. 2209 W., dated 29th September 1927, 862 W., dated 14th March 1929, 116 W., dated 15th January 1930, 805 W., dated 19th March 1931 and 2391 W., dated 15th November 1932.	
557	Same as paragraph 564, Public Works Account Code.	
558	Same as paragraph 565, Public Works Account Code, with slight verbal changes in rule 3. G.Os. Nos. 619 W., dated 28th February 1928, 133 W., dated 17th January 1931 and 805 W., dated 19th March 1931.	
559	Same as paragraph 566, Public Works Account Code, leaving out the Schedule of Takkavi works.	
560–566	Same as paragraphs 567–573, Public Works Account Code. G.Os. No. 3585 W., dated 22nd December 1930 and Ms. No. 1638, P.W. (General), dated 14th July 1936.	
567	Is based on paragraph 574, Public Works Account Code, the schedules not in use in Madras having been deleted. Rule 1 of the old paragraph has been deleted as contingent charges are drawn by bills drawn on treasuries. Rule 2 has been re-drafted on the basis of G.O. No. 647 W., dated 18th May 1925. The orders in notes (6) and (9) under paragraph 79 (vii), Works Audit Department Manual, have also been embodied. G.Os. Nos. 3296 W., dated 13th November 1929 and 2391 W., dated 15th November 1932.	
568 and 569 ..	Same as paragraphs 575 and 576, Public Works Account Code. G.O. No. 3296 W., dated 13th November 1929.	
570	Based on paragraph 577, Public Works Account Code. In Madras, the documents are sent to the Accountant-General for audit and not subjected to periodical test audit during inspections—vide G.O. No. 220 W., dated 17th February 1919. G.Os. Nos. 2928 W., dated 17th October 1929 and 421 W., dated 16th February 1931.	
571	Same as paragraph 578, Public Works Account Code, with the modification consequent on the revision of rule 2 under new paragraph 552. G.O. No. 783 W., dated 5th March 1929	
572–576	Same as paragraphs 579–583, Public Works Account Code.	
577	Paragraph 584 of the old Code has been revised embodying the orders in paragraph 130 (1) and (2) of the Works Audit Department Manual. Clause (*a*) (i) under the old paragraph has been deleted as the irrigation revenue in Madras is collected by the Civil Department. G.Os. Nos. 1191 W., dated 4th June 1932, 1241 W., dated 6th June 1934, 44 I., dated 8th January 1935, 2018, P.W. (General), dated 24th September 1940.	
578–581	Same as paragraphs 585–588, Public Works Account Code. G.O. No. 3296 W., dated 13th November 1929.	
582	Same as paragraph 589, Public Works Account Code, with the rule thereunder deleted as there are no water-courses in Madras.	
583	Same as paragraph 590, Public Works Account Code.	
584	Same as paragraph 591, Public Works Account Code, with a reference to the forms for the preparation of Capital and Revenue Accounts of residences standardized by the Accountant-General. G.Os. Nos. R. 851 W., dated 6th April 1929, 1942 W., dated 3rd July 1930, 2135 W., dated 13th October 1932 and 1237 W., dated 5th June 1934.	

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922) Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
585 and 586 ..	Same as paragraphs 592 and 593, Public Works Account Code. G.O. No. 442 W., dated 19th February 1935.	
587–589	Same as paragraphs 595–597, Public Works Account Code. G.O. No. 2209 W., dated 29th September 1927.	
590	This is based on paragraph 598, Public Works Account Code, as amended by	Auditor-General's letter No. 798 Adm., 439–24, dated 8th June 1925. G.O. R. No. 549 W., dated 31st July 1926.
Appendix I ..	Extract from the Auditor-General's rules framed by the Secretary of State in Council under section 96-D (1) of the Government of India Act. These are reproduced in this Code for facility of reference. Same as Appendix 1 to the Public Works Account Code. G.Os. Nos. 3296 W., dated 13th November 1929 and 1987 W., dated 8th July 1930.	
Appendix II ..	Rules regulating personal matters affecting Divisional Accounts. Same as Appendix 2 of the Public Works Account Code, G.Os. Nos. 2209 W., dated 29th September 1927, 3296 W., dated 13th November 1929, 421 W., dated 16th February 1931, 1123 W., dated 23rd May 1933 and 860 P.W. (General), dated 26th April 1937.	
Appendix III ..	Rules for the public examination qualifying for admission to the establishment of Divisional Accounts. Same as Appendix 3 to the Public Works Account Code. G.O.s Nos. 2209 W., dated 29th September 1927, 3296 W., dated 13th November 1929, 421 W., dated 16th February 1931, 2911 W., dated 20th November 1931, 2391, W., dated 15th November 1932, 1206 W., dated 28th May 1934, 1508 W., dated 3rd July 1935, 2058 P.W., dated 1st September 1936, 2957 W., dated 22nd December 1936, 2694 P.W., dated 23rd November 1936, 1661, P.W., dated 12th August 1937 and 1938 W., dated 25th September 1947.	These are departmental rules issued by the Auditor-General. (Appendices II and III)
Appendix IV ..	List of major and minor heads of account. Same as Appendix 4 to the Public Works Account Code. G.Os. Nos. 2209 W., dated 29th September 1927, 1776 W., dated 16th August 1927, 2260, W., dated 11th September 1928, 3296 W., dated 13th November 1929, 27 W., dated 4th January 1930, 1589 W., dated 28th May 1930, 1811 W., dated 20th June 1930, 1942 W., dated 3rd July 1930, 1987 W., dated 8th July 1930, 3180 W., dated 11th September 1930, 2812 W., dated 4th October 1930, 3585 W., dated 22nd December 1930, 421 W., dated 16th February 1931, 1665 W., dated 27th June 1931, 1907 W., dated 29th July 1931, 2202 W., dated 29th August 1931, 2675 W., dated 26th October 1931 and 2911 W., dated 20th November 1931, C.E.'s Memo, No. 1480 A.C./32, C.R., dated 20th May 1932, G.Os. Nos. 1209 I., dated 6th June 1932, 2391 W., dated 15th November 1932, 1122 W., dated 23rd May 1933, 1844 W., dated 25th August 1933, 2772 I., dated 19th December 1933, 613 W., dated 12th March 1934, 1206 W., dated 28th May 1934, 1656 W., dated 1st August 1934, 2107 W., dated 24th September 1934, 2336 W., dated 27th October 1934, 2529 I., dated 20th November 1934, 1172 I., dated 20th May 1935, 1608 W., dated 3rd July 1935, 419 W., dated 17th February 1936, 1176, P.W. (Irrigation), dated 15th May 1936, 140 W., dated 20th January 1936, 2957 W., dated 22nd December 1936, 2300, P.W., dated 1st October 1936, 2265, P.W., dated 28th September 1936, 2058, P.W., dated 1st September 1936, 1938 W., dated 25th September 1937, 1090, P.W., dated 1st May 1929, 1676, P.W., dated 7th July 1939, 2622. P.W. (Irrigation), dated 27th November 1940, 803, P.W., dated 27th March 1941, 1783, P.W., dated 22nd July 1941, 1287, P.W., dated 3rd May 1941 and Ms. No. 2546, P.W, dated 8th July 1949.	This can be amended only on the authority of the Auditor-General subject to the concurrence of the Secretary, of State if the form of the, Finance and Revenue Accounts is affected.

Paragraph number of the Madras Public Works Account Code (1)	Relation to Public Works Account Code (Government of India Edition of 1922) Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
Appendix 4-A ..	Codifies the primary and secondary units of appropriation and the special procedure for accounting of expenditure under Establishment drawn on bills from the treasury. Same as Appendices I, II, VI and VIII of G.Os. Nos. 118, Finance, dated 6th February 1926, 2318, P.W., dated 23rd September 1941 and 5545, P.W., dated 7th April 1943.	The primary units of appropriation for Central Civil Works are those laid down by the Government of India. The units for provincial expenditure and the special procedure laid down for the accounting of expenditure under Establishment are those laid down by the local Department.
Appendix 4-B ..	G.O. No. 2473 W., dated 28th October 1927.	
Appendix 4-C ..	G.Os. Nos. 1792 W., dated 16th August 1934, 1508 W., dated 3rd July 1935 and 2328 W., dated 29th October 1935.	The Government of India in the Department of Industries and Labour.
Appendix 5 ..	Account rules relating to the receipts and charges of the Public Works Department in connexion with cemeteries and churches. Same as Appendix 5 to the Public Works Account Code.	Auditor-General.
Appendix 6 ..	Rules for the collection and accounting of toll collections levied under the Navigation rules framed under Act II of 1890. Based on G.Os. Nos. 629 I., dated 4th December 1925, 1403 I., dated 2nd July 1932 and 133, P.W. (General), dated 21st Januray 1937, 240, P.W. (Irrigation), dated 14th November 1940, Memo. No. 216-D/41-1, P.W., dated 24th January 1941, G.O. No. 4378, P.W., dated 28th October 1952.	The rules relating to collection and preservation of cash balances are financial rules of the local Government. Those relating to accounts are Auditor-General's rules. The rule dealing with the disposal of cash collections repeats the substance of Treasury Order 7, while that laying down the procedure for remittance to treasuries is a subsidiary rule of the local Government under Treasury Order 9 (a).
Appendix 7 ..	Rules for the distribution of establishment and tools and plant charges. Based on Appendix 7 to the Public Works Account Code and local orders. G.Os. Nos. 597 W., dated 4th June 1926, R. 562 W., dated 2nd August 1926, 1776 W., dated 16th August 1927, 2209, W., dated 29th September 1927, 2261 W., dated 6th October 1927, 1264 W., dated 9th May 1928 and 2213 W., dated 5th September 1928, 790 W., dated 6th March 1929, 862 W., dated 14th March 1929, 3296 W., dated 13th November 1929, 116 W., dated 15th January 1930, 135 W., dated 16th January 1930, 1877 W., dated 27th June 1930, C.E's.Memo No. 3328-Ac./C.P., dated 12th November 1930, G.Os. Nos. 3516 W., dated 16th December 1930, 3585 W., dated 22nd December 1930, 14 W., dated 5th January 1931, 133 W., dated 17th January 1931, 805 W., dated 19th March 1931, 984 W., dated 10th April 1931, 1907 W., dated 29th July 1931, 2257 W., dated 7th September 1931, 2391 W., dated 15th November 1932, 2025 W., dated 14th September 1933, 55 W., dated 5th January 1934, 1002 W., dated 30th April 1934, 2770 W., dated 15th December 1934, 82 I., dated 10th January 1935, 370, P.W., dated 15th February 1939, 1222, P.W. (Buildings and Roads), dated 21st May 1936, 1591, P.W., dated 26th July 1938, 837, P.W., dated 26th April 1938, 2891, P.W., dated 10th February 1940, 848, P.W., dated 26th April 1946, 1492, P.W., dated 19th June 1941, 1824, P.W., dated 26th July 1941, 2769, P.W., dated 13th November 1941, 5011, P.W., dated 4th January 1943, 3203, P.W., dated 10th December 1946, Ms. No. 718, P.W., dated 1st March 1949, Ms. No. 3070, P.W., dated 19th August 1949, **Ms. No. 2141, P.W., dated 2nd June 1950 and Ms. No. 2644, P.W., dated 11th July 1950, and 1213, P.W., dated 26th March 1951.**	These rules can be amended by the local Government to suit their requirements in consultation with the Auditor-General who will see that the rules provide for requirements of audit.

MEMORANDUM

Paragraph number of the Madras Public Works Account Code. (1)	Relation to Public Works Account Code (Government of India Edition of 1922) Works Audit Department Manual, etc. (2)	Authority competent to revise in future. (3)
Appendix 8 ..	Inspection of subdivisional accounts by Divisional Accountants (based on Chief Engineer's Circular Memorandum No. 2524-Ac./23-C.P., dated 3rd January 1925). G.Os. Nos. 1715 W., dated 11th June 1929 and 1407 W., dated 9th May 1930, C.E.'s Memo. No. 3297-Ac./C.P., dated 17th November 1930, G.Os. Nos. 462 W., dated 23rd February 1932, 795 W., dated 2nd April 1932, 1193 W., dated 1st June 1933, 1981 W., dated 10th September 1934, 442 W., dated 19th February 1935, 2166, P.W. (General), dated 15th September 1936, 2764, P.W., dated 28th November 1939, 2712, P.W., dated 20th November 1939, 1852, P.W. (Irrigation), dated 31st August 1940, 4388, P.W., dated 30th November 1942, 334, P.W, dated 8th February 1941 and G.O. Ms. No. 3102, P.W., dated 30th August 1948, G.O. No. 4378, P.W., dated 28th October 1952.	The rules relate to inspection of accounts, records and checking of initial accounts and can be amended only on the authority of the Auditor-General.
Index	G.O. No. 2058, P.W., dated 1st September 1936.	

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